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LIAOWANG EXAMINES U.S. 'COMPETITIVE STRATEGY'

HK271303 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 20, 19 May 86 pp 27-28

[Article by Chen Xiaolu, Ji Qinggong and Chen Zhiya: "An Analysis of U.S. 'Competitive Strategy'"]

[Text] The "Competitive Strategy" is a new strategic concept put forward by U.S. Secretary of Defense Weinberger on 5 February this year. It will be an overall strategy for the development of U.S. national defense in the coming period or even in the 21st century. This shows that the Reagan administration has, for the first time, brought its guiding ideology of perfecting military theory, strengthening army building, and renewing weaponry and equipment into line with its strategic orbit, thus adding new contents to its defense strategy and forming a perfect strategic system.

The "competitive strategy" indicates that the United States, propelled by the new technological revolution, resolves to adopt a new attitude and a series of more effective measures to strengthen its long-term competition with the Soviet Union in the armament field, including military, economic, and science and technological competition, so as to give play to its strong points and defeat the other side, enhance its competitiveness, and finally gain the upper hand over the Soviet Union as well as strategic initiative.

The "competitive strategy" was set forth by the Reagan administration after summing up historical experiences, analyzing its own relative strength and that of the Soviet Union, making an appraisal of the challenges lying ahead, and the needs of the strategy. The main bases for it are as follows:

-- Historical lessons. The Reagan administration believed that in the 1950's, the United States gained the upper hand in military affairs, but due to mistakes in its defense policy over the past 20 years or so and the large-scale arms expansion and war preparations of the Soviet Union in the same period, there is now a basic equilibrium between the two countries in both nuclear and conventional strength. The USSR has even surpassed the United States in certain spheres, putting the latter in a passive position. For this reason, the Reagan administration held that in order to fundamentally change this situation, it is necessary to avoid as many mistakes as possible in its policy and, while carrying out necessary readjustment of its military strategy, to work out a complete strategy for the development of its national defense which is able to give full play to the superiority of the United States.

-- The challenge lying ahead. Although efforts to "reestablish U.S. military strength" during the first half of the 1980's by the Reagan administration has basically changed the unfavorable trend in the relative strength of the U.S. forces and those of the USSR, the USSR trend in arms expansion has never been retarded, but has been further developed, constantly facing the United States with new challenges. Referring to the development of weaponry and equipment on both sides, Weinberger said that "the weaponry and equipment studies and development plans of the USSR, and its civil development plans relating to military affairs, cover a much wider field than those of the United States," and that at present, "the United States has reached just about the same level as the Soviet in the purchase of weapons." Judging from the investment in defense matters, the military expenditure of the USSR makes up 15 to 17 percent of the GNP, and that used for the purpose of developing weaponry and equipment constitutes nearly two thirds of the military expenditure. These percentages are much higher than those of the United States. In order to cope with this challenge, the Reagan administration believed that the United States must work out a new strategic policy and adopt a series of effective measures.

-- Successful experience. The United States has also achieved marked successes in its efforts to retard the trend of Soviet arms expansion. For example, while competing with the USSR in developing intercontinental ballistic missiles, the United States has put part of its research forces into developing low-level anti-defense techniques using bombers in order to make use of the weak points of Soviet air defense, forcing the Soviet Union to throw large sums of money into air defense construction. The Reagan administration held that "the result is better than allowing the Soviet Union to use its funds to develop offensive forces." This effort reflects the idea of competition, but it is still not mature strategic thinking. Therefore, for the United States, it is necessary to work out a flexible and effective strategy as soon as possible, to guide its competition with the Soviet Union. This is practical and can yield actual results.

-- The needs of strategy. For a long time past, the United States has attached importance to the development and perfection of its military strategy and has basically solved the question of "how to use and threaten to use military force." It has also followed the principle of making its military strategy subordinate to national security. This becomes an important component part of its defense strategy. However, on the question of developing and strengthening military forces, it always failed to bring its army building and weaponry development into line with the military forces. In view of the fact that the new technical revolution has produced a great impact on army building and weaponry devlopment and the needs of strategy thus emerged, the Reagan administration felt that "working out a strategy for carrying out effective competition with the Soveit Union has become a top priority task for the United State at present." The "competitive strategy" thus becomes the latest choice of the Reagan administration.

-- Technological development. The Reagan administration contended that "we have now entered a period of rapid technological development, which enables us to give full play to our superiority." In today's world, "the United States is in the lead in 14 of the 20 most advanced technologies, while maintaining balance with the Soviet Union in the other 6." This is the greatest superiority of the United States and a fatal weakness of the Soviet Union. The strong points of the United States in newly emerging technology and advanced productive technology form a reliable basis for the Reagan administration in drafting the competitive national defense development strategy.

In essence, the "competitive strategy" includes mainly: 1.) Guiding the drafting and implementation of weaponry and equipment research, development, and purchase plan; 2.) revising and perfecting strategic theory and guiding operational principles; and 3.) reforming the defense system and structure so as to give full play to United States superiority in various fields. The basic content of this strategy is: To pay more attention to what the U.S. military strategy and defense policy is aimed at; to emphasizing that all defense development plans should take the USSR as their rival; to proceed form its real economic strength and take the development of new technologies as a breakthrough; and to enhance the overall competitiveness of the United States through "effectively using all kinds of resources: in its trial of strength with the USSR, so as to contain the latter in military affairs, crush it in science and technology, and wear it down in the economic field.

In order to carry out the "competitive strategy" effectively, the Reagan administration intends to make efforts in the following aspects:

-- To establish a principle of utilizing its strong points to attack the weak points of the enemy. In the past few decades, the arms race between the United States and the Soviet Union was carried out around the central link of increasing the quantity and improving the quality of weapons. Each side adopted relevant countermeasures against the other side when the latter created or developed a certain kind of weapon. As neither of them would make a concession, the contention was gradually upgraded. As a result, none could be in a position of absolute predominance. When one side was temporarily in the lead, the other side would catch up with it very soon, and a new balance in strength would be reached. The "competitive strategy," however, has thrown away this traditional rule of competition, saying evidently that "the United States does not need to carry out plane-to-plane and tank-to-tank competition with the USSR." What it needs to do is to give full play to its superiority in those spheres that the United States has gained the upper hand, so as to utilize its strong points to attack the enemy's weak points. The Reagan administration held that taking this as the basic principle of the U.S. national defense development strategy will not only be helpful to maintaining the"time difference" between the United States and the Soviet Union in the development of weaponry and equipment, but will also force the Soviet Union to change the orientation of certain investments in order to cope with the U.S. challenge in that field. Thus, it will be possible to contain the Soviet Union to the greatest possible extent. Judged from a long-term point of view, this basic principle of the "competitive strategy" will help the United States to guide the competition toward a sphere favorable to itself and force the Soviet Union to withdraw from an offensive to a defensive strategy and from activeness to passiveness. It will also make the Soviet Union consume more strength and resources in the long-term competition.

-- To accelerate the development of U.S. military technology. Along with the development of the new technological revolution, the period of research and application of military technology will be gradually shortened, the speed of changing technological potentialities into real military strength will be accelerated, and the concept of systematic military technology will be playing an increasing role in the development of weaponry and equipment and in army building. For this reason, the Reagan administration will take the new technological revolution as the main shaft in enhancing the U.S. military strength, accelerate the development of its military technology, and fully tap technological potentialities and change them into the real military strength and fighting effectiveness of the army as quickly as possible, so as to maintain and continuously expand the difference between the United States and the Soviet Union in respect of the quality of the army and of weaponry and counteract its weakness in quantity. Weinberger said that in the past, by developing anti-submarine technology, the United States made the Soviet ballistic missile submarines limit their activities in its coastal waters in order not to be attacked. As a result, the Soviet threat to sea lanes for the United States and its European and Asian allies was reduced in the initial period of war. The efforts of the United States in developing military technology yielded strategic results. This is the orientation of the United States in its future efforts. In the development of military technology, the Reagan adminstration will take the "plan for strategic defense" as the main project to bring along progress in a group of technologies, and will more widely apply the most advanced technologies concerning this plan, to the development of both nuclear and conventional weapons. For this reason, the Reagan administration plans to spend $4.8 billion in 1987 on the "plan for strategic defense" and spend $42 billion on studying and developing new technologies, equipment, and weaponry. Apart from greater efforts in developing some key projects such as laser, particle beam, optical sounding, electromagnetic artillery, and computers, it will also open up some new fields of study, such as laser satellite networks, light signal treatment, and ultrashort lasers.

-- To expand the sphere of competition with the Soviet Union. The Reagan administration believes that the "competive strategy" is not merely reflected in military and technological fields, it concerns all relevant fields of national security. What is more important is to give full play to its effectiveness as a whole. Therefore, "the United States must make positive efforts to expand the sphere of competition," and have the idea of competition included in all kinds of development plans as far as possible. The Reagan administration envisaged that if the United States could use its advanced technology to produce a kind of airplane, ballistic missile, and cruise missile invisible to the Soviet radar, all the Soviet investment in the development of air-defense forces will be wasted. If the U.S. strategic forces become capable of breaking through the Soviet defense and entering its territory to attack strategic targets, the confidence of the Soviet Union in launching a nuclear war will certainly be weakened. It will then give up its nuclear war plan and change to "peaceful competition" with the United States.

-- To intensify the collection of intelligence data about the Soviet Union. "In order to practice the competitive strategy better," the Reagan administration believes that "the United States must have a thorough understanding of its adversary." Discovering the weak points and shortcomings of the Soviet Union and anticipating the development trend in the balance of military strength. Extensive, quick and abundant information is therefore a prerequisite for the U.S. in carrying out the "competitive strategy." The Regan administration has spent a lot of money improving U.S. efficiency in collecting information and achieved great progress in some aspects, but it has decided to make more efforts. The scope of gathering information ranges from Soviet military strength structure, leadership stratum, and army morale up to its social conditions, such as problems realting to drinking, diseases and population. In addition, the United States "is also making careful analysis of Soviet military thinking, tactical science, and concept of operation, to adopt countermeasures against the Soviet Union so as to force it to change its guiding military ideas for "actual combat," and to prevent the Soviet Union from making correct judgments for its future military actions.

To sum up, it is the first time the United States has put forward such a "competitve strategy" since the Second World War as a strategic guide for the development of its national defense. This will have great impact on the improvement of U.S. military theories, the strengthening of its armed forces and the updating of weapon equipment. It must however be seen that at a time when the rivalries between the United States and the Soviet Union are becoming increasingly acute, this new U.S. strategic thinking will certainly step up the armament race between the two countries and lead to a new escalation of the race. It hard to comtemplate that the competition between the two countries will develop as the United States desires, and there is even less possibility that the United States and the Soviets will stop or give up the 40-year-long rivalries between them, and that they will change their course and embark on the so-called "peaceful competition."

NORTHEAST ASIA

PRC, JAPAN DELEGATIONS HOPE TO EASE TRADE IMBALANCE

HK280430 Beijing CHINA DAILY in English 28 May 86 p 1

[By staff reporter Zhu Ling]

[Text] High-powered trade missions from China and Japan meet today in Beijing hoping to find ways to ease the hugh imbalance in bilateral trade. The biggest-ever Japanese delegation to China, 163-strong, arrived in the capital yesterday afternoon for four days of talks with top Chinese trade leaders.

The focus of their talks will be on how to cut Japan's enormous trade surplus with China and further promote bilateral economic and technological co-operation, said Shen Jueren, assistant minister of foreign economic relations and trade. He is also the head of the 160-member Chinese side. "Sino-Japanese trade has boomed over the past two years, and the two countries have become important trading partners," Shen told CHINA DAILY yesterday. But trade and economic cooperation, he said, were plagued by many problems, "especially our enormous trade deficit with Japan." China's deficit with Japan, the country's largest trading partner, soared from $2 billion in 1984 to $5.2 billion last year. This year's deficit is estimated to reach at least $3 billion. China, as a developing country with a long-term shortage of foreign exchange, could not endure a long-term deficit, said Shen.

Top Chinese leaders, including Deng Xiaoping, have voiced their concern about the trade imbalance. Early this month, Premier Zhao Ziyang told a Japanese group that the two countries should make joint efforts to eliminate the trade gap and guarantee the sound development of bilateral trade.

The Japanese Governmente has also shown concern over the deficit problem. Last month, Japanese Prime Minister Yasuhiro Nakasone told the visiting Chinese Foreign Minister Wu Xueqian his government sincerly hoped to reduce the trade imbalance. "We are seriously ready this time for some concrete results to ease the trade imbalance in a positive way, trying to avoid passive way -- cutting Japanese imports," Shen said.

After the opening ceremony today, 10 Chinese groups, headed by the president of China's 10 national import and export corporations, will begin talks with their Japanese counterparts, including senior government trade officials and almost all Japan's top business leaders.

The biggest ever get-together between the two countries was the result of an oral agreement between the Chinese foreign trade minister and the Japanese minister of finance last September in Japan. "We hope that we will not only seek ways for long-term trade cooperation -- we also need to clear away the current trade barriers so Japan can open its markets to our commodities," Shen said. He pointed out that Japan levied higher duties on some Chinese products, such as carpets, than it levied on products from the United States and EEC countries. There were also excessive controls on imports of Chinese products including silk, fruit, vegetables and rice straw, he said.

Shen said he hoped the forthcoming meeting would not only discuss ways to expand China's traditional exports to Japan, but that the Japanese side would help China develop new products that the Japanese market would need in the long term. The assistant minister said: "We are willing to listen to suggestions from the Japanese side about our exports and we will make further efforts to improve our products' quality, packaging and quicken delivery."

Meanwhile, agency reports from Tokyo said that a top-level advisory panel on Monday called on the Japanese to increase direct overseas investment and spur imports to reduce Japan's huge trade surplus. The Industrial Structure Council, an advisory body to Michio Watanabe, international trade and industry minister, laid out a series of recommendations aimed at restructuring Japanese industry to help Japan fit better into the world economy.

Heads of Delegations Speak

OW281724 Beijing XINHUA in English 1529 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Over 350 Chinese and Japanese delegates here today started exchanging views on how to further Sino-Japanese economic cooperation and trade and eliminate the imbalance in their trade. Shen Jueren, head of the Chinese delegation and assistant minister of foreign economic relations and trade, and Ryoichi Kawai, head of the Japanese delegation and acting president of the Japan-China Association for Economy and Trade, addressed the first meeting this morning.

Shen hoped the Japanese mission would discuss principles as well as concrete matters with the emphasis on the latter. He said one should take a long view in order to further Sino-Japanese economic and trade ties. He urged the two sides to act in a spirit of dealing with concrete problems, on which views will be exchanged sincerely and frankly. Methods and channels will be found to solve these problems in order to promote the expansion of cooperation, he added.

He hoped the talks would, first, enhance friendship, promote economic relations and trade, expand China's exports to Japan and solve the trade deficit problem in a positive manner and step by step. Secondly, the two sides will study measures for trade expansion in the near and long-term future, and also remove the present urgent trade obstacles. Thirdly, they will study the expansion of exports of traditional Chinese commodities, and the Japanese side will help China develop new products for export to Japan.

Shen proposed the following to the Japanese side:

-- The Japanese Government should further open its market including abolition of the restrictions on China's products, relaxation of quotas, lowering of unreasonable tariffs and increase of varieties for preferential tariffs;

-- Both sides should strengthen cooperation to put the problem of animal and plant quarantine on the agenda in order to eliminate this obstacle to exports to Japan as quickly as possible, and promote the expansion of varieties and quantities of China's products to Japan;

-- With a view to increasing the export capability of the Chinese side, concrete projects and contents should be fixed for the cooperation in setting up production bases for export commodities, developing new goods, transfering technology, transforming old factories, sending experts to give lectures and instructions, receiving students, and holding exhibitions of China's commodities.

Shen pointed out that China is willing to listen to views of the Japanese side on improving China's export work. He added that China will make efforts to improve the quality of goods, increase varieties and colors, stabilize goods supply, and deliver goods in time, in order to make Chinese goods suit the needs of the Japanese market.

Kawai said that since the normalization of diplomatic relations between Japan and China in 1972 their relations have developed in ever-wider areas. China has become Japan's second largest trading partner, while Japan is the largest trading partner of China. He noted that there do exist some problems in Japan-China trade. He said the then Japanese Minister of Trade and Industry, Keijiro Murata, and Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin exchanged views on bilateral trade during Murata's visit to china last September. This shows that the two countries attach great importance to developing their trade. This time the Japanese side has sent a delegation which includes both government and corporate representatives. He expressed the belief that so long as the two sides abide by the principles of mutual understanding and mutuasl accomodation Japan-China trade will be further expanded.

Minister Calls for Cooperation

OW281012 Beijing XINHUA in English 0938 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Zheng Tuobin, Chinese minister of foreign economic relations and trade, today called on China and Japan to make efforts to balance their trade. He said that the key to a long-term and steady development of Sino-Japanese trade lies in a hefty expansion of China's exports and speedy reduction of China's deficit so as to positively balance trade between the two countries. Zheng made these remarks at the first meeting of a Chinese delegation and a visiting Japanese trade delegation at the International Club here this morning. Over 350 members of the delegations exchanged views on how to further Sino-Japanese economic cooperation and trade and how to eliminate the imbalance in their trade. Zheng reviewed the smooth development of Sino-Japanese economic relations and trade through the common efforts of the two governments and the two peoples in recent years.

He gave the 1985 volume of Sino-Japanese trade as 16.4 billion U.S. dollars, an all-time high. However, China's deficit in the same year reached 5.2 billion U.S. dollars, resulting in a large trade imbalance, he said. To eliminate this deficit so as to promote trade between the two countries, Zheng said, China should first strive to improve the quality of its exports, readjust its commodity structure and expand its production of goods suited to the Japanese market in order to make its products more competitive. At the same time, he hoped that Japan would take a long-term point of view in helping China expand its exports to Japan.

Be pointed out that the expansion of China's exports to Japan and the strengthening of China's ability to make payment will also create favorable conditions for increasing Japanese exports to China. "This, no doubt, will benefit both sides," he added. He called on Japan to take an active attitude toward removing some artificially imposed obstacles and solving some concrete problems hampering the development of Sino-Japanese trade, such as high tariffs, import quotas, prohibition of certain imports, and animal and plant quarantine.

He also suggested that Japan offer ideas and suggestions concerning the types of goods Japan is receptive to, so that the two sides can reach agreement on certain cooperation projects, thus contributing to a balanced development of Sino-Japanese trade. He expressed the belief that there are broad prospects for the development of Sino-Japanese economic relations and trade so long as the two countries give full play to their advantages, consolidate their achievements and solve emerging problems in a timely fashion, under the principles of "peace and friendship, equality and mutual benefit, mutual trust, and long-term stability".

Zheng Tuobin Hosts Dinner

OW281656 Beijing XINHUA in English 1446 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, today told a visiting Japanese trade delegation that Chinese economic and trade circles attach great importance to its visit. In his toast at the dinner he gave for the visitors this evening, Zheng described the talks between the two sides conducted earlier today to look into ways of expanding bilateral trade as very significant.

Ryoichi Kawai, acting president of the Japan-China Economic and Trade Association, said that through the talks, both sides have realized that expansion of Sino-Japanese trade is very important. To pursue a stable development of Sino-Japanese trade, he added, the two sides must first solve the existing problems. The two sides should work in line with the four principles of developing Sino-Japanese relations and settle the issue sincerely and in a down-to-earth manner, he said.

NOTES EXCHANGED FOR JAPANESE LOAN TO PRC

OW281050 Beijing XINHUA in English 1035 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- An exchange of notes agreeing that the Japanese Government will loan China 80.6 billion Japanese yen (roughly 470 million U.S. dollars) for 2986 was signed here this afternoon. According to the notes, the repayment period will be for 20 years following a 10 year grace period, at an annual interest rate of 3.5 percent. The money will be used for seven major construction projects. These projects are: The no 3 and no 4 docks in Qinhuangdao port (planned to be completed in 1988), second phase of construction of Miaoling dock at Lianyun port (planned to be completed in 1990), construction of Qianwangang area of Qingdao port (planned to be completed in 1990), construction of electric railway between Hengyang and Guangzhou (planned to be completed in 1988), electric railways between Zhengzhou and Baoji (planned to be completed in 1988), expansion of telephone lines in Tianjin, Shanghai and Guangzhou cities (planned to be completed in 1989) and Tianshengqiao (Basuo) hydropower station (planned to be completed in 1991).

During his visit to China in March 1984, Japanese Prime Minister Yasuhiro Nakasone promised to provide 474 billion Japanese yen in government loans to China for these seven projects. Agreements were signed annually on the use of the promised loans and today's exchange of notes was a procedure before the agreement for 1986 is signed on June 4th in Tokyo.

Chinese Vice-Minister of Foreign Affairs Lie Shuqing and Charge d'Affaires ad interim of the Japanese Embassy in Beijing Kagechika Matano signed the exchange of notes on behalf of their governments.

QIAO SHI MEETS, FETES DPRK PARTY SECRETARY

OW271102 Beijing XINHUA in English 1049 GMT 27 May 86

[Text] Beijing, May 28 (XINHUA) -- Qiao Shi, member of the Political Bureau and Secretariat of the Central Committee of the Communist Party of China (CPC), met and feted here this evening Hwang Chang-yop, secretary of the secretariat of the Korean Workers' Party Central Committee, and his party. Zhu Liang, head of the International Liaison Department of the CPC Central Committee, held talks with Hwang here this afternoon. The Korean visitors arrived here this morning.

FURTHER REPORTAGE ON WU XWEQIAN'S EUROPEAN TRIP

Feted by Irish Counterpart

OW280606 Beijing XINHUA in English 0559 GMT 28 May 86

[Text] Dublin, May 27 (XINHUA) -- Irish Foreign Minister Peter Barry said tonight Ireland and China "share a deep commitment to the development of international peace and stability and happily enjoy excellent relations." At a dinner honoring China's Foreign Minister Wu Xueqian, Barry said China and Ireland agree that the nuclear arms race constitutes a grave threat to world peace and security.

Barry praised China's modernization and economic progress in recent years. "your country is experiencing a period of rapid change. It is clear that your policies have already achieved significant results and improved dramatically the living standards of your people." Barry said Wu's visit marks an important stage in the development of Sino-Irish relations. "I am confident that our cooperation and mutual understanding will grow steadily in the years ahead," he added.

Wu replied that the prestige of a country in the world does not hinge upon its size or strength, but upon whether its policy is conducive to world peace and progress of mankind. "I feel strongly that west and north European countries all want to check the superpower arms race and relax tension in Europe and the world at large and are playing an increasingly important role in striving for detente and disarmament," Wu declared. "They are in favor of greater unity and cooperation of Western Europe and better North-South relations, and have made unremitting efforts to this end." Wu's visit to Ireland is part of a nine-nation European trip.

Meets Irish Prime Minister

OW290306 Beijing XINHUA in English 0126 GMT 29 May 86

[Excerpt] Dublin, May 28 (XINHUA) -- In a meeting today with Irish Prime Minister Garret Fitzgerald, Chinese Foreign Minister Wu Xueqian briefly detailed China's economic situation and reform structure. The two officials also discussed international issues of common interest.

Meets Press, Hosts Dinner

OW290644 Beijing XINHUA in English 0624 GMT 29 May 86

[Text] Dublin, May 28 (XINHUA) -- The Chinese Government appreciates the peaceful and neutral foreign policy that Ireland is pursuing, Chinese Foreign Minister Wu Xueqian said at a press conference today. "I am confident that medium-sized and small countries in Europe should and can play a still bigger role in safeguarding and maintaining peace in Europe and throughout the world," Wu said. In the seven years since China and Ireland established diplomatic relations, "progress has been made in our relations," Wu noted. "I think there are great potentials for further development of our relations in all fields and I expect that to take place in the days to come," he added. Earlier today, Wu and his entourage visited Shannon free zone in west Ireland, where 100 plants operate in the world's first economic free zone. Wu hosted a dinner tonight at the Chinese ambassador's residence to honor Irish Foreign Minister Peter Barry. The next stop on Wu's nine-nation European trip is Denmark.

FURTHER REPORTAGE ON CAPE VERDE PREMIER'S VISIT

Holds Talks With Ulanhu

OW281421 Beijing XINHUA in English May 28 (XINHUA) -- Vice President Ulanhu today told visiting Cape Verde's Prime Minister Pedro de Verona Rodrigues Pires that the Chinese Government and people will always firmly support the struggle of people in southern Africa till their final victory.

During a meeting here with Prime Minister Pire, Ulanhu noted that the main cause of the sustained tension and unrest in southern Africa lies in South Africa authorities' stubborn pursuit of the apartheid policy, obstruction of Namibia's independence, and invasion and interference into the neighboring countries.

The Chinese Government and people strongly condemn the recent bombing and attacks of the South African authorities on Botswana, Zimbabwe and Zambia, he said.

Pires said that the actions of the racist authorities in southern Africa will not succeed for they are against the interests of the African people. And he assured that the situation there will develop in the direction favorable to the people in southern Africa.

During the nearly one-hour meeting at the Great Hall of the People, the two leaders agreed to further strengthen bilateral friengly ties and economic and political cooperation. Ulanhu also praised Cape Verde for its practical policies adopted in the light of its own conditions, and hence the economic development and improvement of people's living standards.

Pires said that China's modernization drive has encouraged Cape Verde in its endeavor to find a way suitable to its own conditions. Pires and Ulanhu conveyed greetings between presidents of Cape Verde and China.

Attends Stage Performance

OW281447 Beijing XINHUA in English 1423 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Prime Minister of Cape Verde Pedro Pires and Mrs. Pires attended a theatrical performance sponsored by the Ministry of Culture at the Great Hall of the People here this evening.

They were treated to dance, music and acrobatic items given by Chinese performing artists, accompanied by Chinese Minister of Light Industry Yang Bo. After the performance, the distinguished Verdian couple walked onto the stage and presented the performers with a basket of flowers and had a picture taken with them.

This morning, Prime Minister Pires laid a wreath before the monument to the people's heroes at the Tiananmen Square. Pires and his party also visited the Palace Museum, a bakery and confectionery, and an arts and crafts factory here today.

Wife Meets Kang Kequing

OW281315 Beijing XINHUA in English 1210 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Kang Keqing, president of the All-China Women's Federation, met here today Mrs Adelcia Pires, member of the Central Committee of the Women's Organization of Cape Verde. The two sides expressed the hope for increased exchanges between the women's organizations of the two countries. Mrs Adelcia Pires is here with her husband on an official visit to China.

BOTHA WARNING TO S. AFRICA BLACKS CRITICIZED

HK280227 Beijing RENMIN RIBAO in Chinese 24 May 86 p 6

["International Jottings" by Ru Sheng: "The Big Stick Fails To Work"]

[Text] Botha, the head of the South African racist regime, recently made a speech. After prating about "constitutional reform" and the "sharing of power," he claimed that he will not make any concession to black people. He threatened that if black people do not give up their struggle, "they will unavoidably face all the power that the state can exercise," and "so far, the state has not fully exercised all of this power." What he really meant is that in the past, he still showed mercy to the black people and did not use every possible means to suppress them.

However, did the South African authorities not fully use their power to suppress black people? In Botha's prison, black leader Mandela and many black political activists are still locked up. Botha's army and policemen are arresting and killing black people every day. In the past 2 years and more, more than 10,000 people were arrested and nearly 2,000 people were killed. Last year, the South African authorities hanged black freedom fighter Moloyisai [5459 3157 0122 1049] .... did all this not show that Botha was fully exercising the "state power"? If he will "fully exercise this power," what will he do then?

People are waiting to see what the South African authorities will do. However, Botha should know that "one who does too much evils will certainly ruin oneself." The South African people's struggle against racism is now in ascendancy, and it is irresistible. Botha's threats will never scare them; instead, more and more black people will join the revolt, and even some white people will also participate in the struggle against the apartheid policy. The black people's struggle in South Africa will never stop. The brandishing of the big stick will just be of no avail.

AFRICAN STUDENTS DEMONSTRATE AGAINST SOUTH AFRICA

HK231040 Hong Kong AFP in English 1029 GMT 23 May 86

[Text] Beijing, May 23 (AFP) -- Nearly one hundred African students demonstrated here Friday to protest South Africa's attacks this week on the capitals of Zimbabwe, Zambia and Botswana, eyewitnesses said.

Crying "down with apartheid," "down with Rambo" and "long live Libyan Mu'ammar Qadhdhafi," the students gathered outside the U.S. Embassy here to denounce South African President Pieter Botha and Washington's policy of "constructive engagement" towards the Pretoria government.

The demonstrators, including students from Zambia and Zimbabwe, submitted a statement on the issue to U.S. representatives at the embassy, eyewitnesses said.

The protest was organized by the Organization of African Students in China and was officially sanctioned by the Beijing authorities.

The protesters were surrounded by an equal number of Chinese police as they walked to the British Embassy, where they observed a minute of silence in memory of the three victims of Monday's South African raids. Then they shouted slogans criticizing British Prime Minister Margaret Thatcher.

Next, the protestors moved on to the Zambian Embassy, where they were welcomed by Ambassador Maiza Chona, who addressed them with a strongly-worded speech against South African policy.

The group, viewed with surprise by Chinese passers-by, also made stops at the Zimbabwe Embassy and the Chinese office of the United Nations, where it dispersed peacefully.

Beijing on Tuesday expressed its "deepest indignation" over the South African raids, which it described as "a fresh crime."

Several hundred Africans are currently studying in China. In July, they organized a demonstration in the capital against the Pretoria government.

African students in Shanghai staged a general strike and a number of demonstrations in November, following several "racist" incidents involving Chinese, diplomats here said. The students later organized demonstrations in Beijing and Shanghai to protest against their treatment while in China.

IRAN'S RAFSANJANI RECEIVES PRC AMBASSADOR

OW260622 Beijing XINHUA in English 0543 GMT 26 May 86

[Text] Tehran, May 25 (XINHUA) -- Iranian Parliament Speaker Hashemi Rafsanjani received today Chinese Ambassador to Iran Wang Benzuo expressing the hope for faster development of relations between Iran and China. He said that after his visit to China last year, which made deep impression on him, relations between the two countries developed. However, there are still rooms for further cooperation in the fields of politics, economy, technology and trade.

The speaker hoped that Iran and China would make joint efforts to stabilize the oil price in the international market. The Chinese ambassador said that the Chinese Government attaches importance to the ties between the two states and the development of the relations.

YAO YILIN ARRIVES IN VANCOUVER FOR WORLD EXPO

OW271000 Beijing XINHUA in English 0948 GMT 27 May 86

[Text] Vancouver, May 26 (XINHUA) -- Chinese Vice-Premier Yao Yulin arrived here today to attend the opening ceremony tomorrow of the Chinese hall at the 1986 World Exposition on Transportation and Communications.

Vice-Premier Yao is here after winding up a three-day visit to two cities in Canada's Alberta Province, Calgary and Edmonton, where he met with provincial and municipal government leaders as well as industrialists and businessmen.

At two press conference Yao gave at the end of his visits to the two cities, the vice-premier said that there exist very broad prospects for Sino-Canadian cooperation, and the same is true with Alberta Province. But the vice-premier added that now China runs a relatively big deficit in its trade with Canada, and that he was happy to note this has come to the attention of the Canadian side. To balance their trade, Yao said, the two countries may engage in various forms of economic cooperation. Yao also said that China is willing to increase its imports from Canada, but this must be accompanied by an increase in its exports in order to pay for more imports.

Asked about the effects of falling grain prices on China, Yao said it mattered very little to China as it imports and exports almost the same amount of grains, both at cheaper prices. He however called for fair grain prices on the international market to reduce losses for Third World countries.

Attends 'China Day'

OW281148 Beijing XINHUA in English 1118 GMT 28 May 86

[Text] Vancouver, May 27 (XINHUA) -- The 1986 World Exposition of Transportation and Communications marked "China Day" today amid the lions dances and the beating of drums. A grand ceremony was held this morning at the Plaza of Nations of the expo site, which was attended by Vice Premier Yao Yilin of the State Council of China, Ambassador Patrick Reid, commissioner general of Expo 86; William Bennett, premier of the Province of British Columbia, and Federal Minister of Labour William McKnight. At 11:00 a.m., the Chinese and Canadian national flags were hoisted, with a military band playing the Chinese and Canadian national anthems.

Speaking at the ceremony, Vice Premier Yao said the world exposition of such a large scale with a theme of transportation and communications hosted by Canada is of great significance, and Expo 86 has provided an important opportunity for exchanging the new technology in transportation and communications, sharing the latest knowledge and exploring the trend of future development. That's why, he said, it has received enthusiastic responses from many countries.

The Chinese Government attaches great importance to this world exposition, Yao said. In line with the theme of Expo 86, exhibits in the China pavilion range from bronze carts and horses of the ancient times to today's rockets and satellites, displaying part of the achievements China has made in the field of transportation and communications. Yao said that he hopes that Expo 86 will help enhance the mutual understanding and friendship between the Chinese and Canadian peoples, and promote the scientific, technological and cultural exchanges between the two countries.

As a developing country, Yao said, "our participation in Expo 86 has provided us with a very good opportunity to learn. We wish to strengthen our cooperation and exchanges in science and technology with other participants, including Canada, to learn from their strong points to offset our weakness, and to join efforts with them for an accelerated development of transportation and communications in the world."

Ambassador Reid said China's participation in Expo 86 has a particular significance. No nation has such a long civilization history as China, and China has brought to Expo 86 a nation with a rich past and bright future. After the ceremony, Beijing pop orchestra gave a performance to the audience. Then, Yao and his party visited British Columbia and Canada pavilion.

XINHUA ROUNDUP VIEWS U.S. CENTRAL AMERICAN POLICY

OW241020 Beijing XINHUA in English 0735 GMT 24 May 86

["Roundup: Washington Faces Dilemma Over Central America Policy (by Bao Guangren)" -- XINHUA headline]

[Text] Washington, May 23 (XINHUA) -- In Guatemala this weekend, five Central American presidents will meet, for the first time since 1979, to iron out their differences over the Contadora-proposed peace treaty. But, in Washington, U.S. policymakers are troubled by supporting the treaty or snubbing it.

The Contadora Group -- Colombia, Mexico, Panama and Venezuela -- met in 1983 to promote peace negotiations among the Central American countries. After years of seeking a workable solution, the five countries of Nicaragua, El Salvador, Honduras, Guatemala and Costa Rica will sign the peace treaty on June 6.

The dilemma for Washington is that the current draft of the treaty would significantly curb U.S. military influence in the region. The draft requires ending outside support for irregular forces, freezing arms acquisitions, banning international military maneuvers, withdrawing foreign military advisers and eliminating foreign military bases.

One section of the proposed treaty invites countries "with interests in the region" -- diplomatic shorthand for the United States, Cuba, and the Soviet Union -- to pledge not to do anything that would interfere with the pact.

Contadora was formed to give a Latin American, rather than a United States, diplomatic alternative to the Central American conflict, and to support peaceful negotiations to prevent a U.S. invasion of Nicaragua or a regional war. It is widely known that the United States is supporting the Nicaraguan rebels in their attempt to topple the Nicaraguan Government, which the U.S. would like to see out of power. Therefore, if the U.S. throws its support to the peace treaty, it will have to abandon efforts to help the "Contra" rebels, also called "counterrevolutionaries." But, if the U.S. does not embrace the treaty, it will be viewed as blocking a diplomatic solution to the Central Amerian conflict and prospects for congressional approval of contra aid will diminish.

The United States is now pressed with a complicated situation.

In a letter to U.S. President Ronald Reagan, Republican Representative Jack Kemp of New York demanded replacing Reagan's special Central American envoy Philip Habib. Kemp argued in the letter that Habib had promised U.S. aid to the contras will end "on signature" of the peace treaty. On Thursday, White House spokesman Larry Speakes said that Reagan "is solidly behind his Central American envoy."

However, while paying lip-service to the peace treaty, Speakes stressed the United States would support "a comprehensive settlement in which all political and security commitments are simultaneously implemented, with concrete verification procedures to ensure compliance by all five parties."

The term "comprehensive means the treaty must address all 21 objectives, which include limiting military forces, implementing arms control, removing foreign troops and advisers, halting guerrilla subversion and promoting democratic institutions, according to Speakes.

The message is clear: Habib retains Reagan's confidence, but the treaty must meet U.S. objectives to be acceptable. "We aren't going to leave the contras out on a limb" until it is, Speakes declared.

A U.S. Pentagon report noted the peace treaty essentially would grant Nicaragua a license to cheat, and after several years, the only way for the U.S. to stop Nicaragua would be with 100,000 U.S. Army troops plus substantial naval and air power at a first-year cost of perhaps 9.1 billion dollars. Despite this, the U.S. Congress has dealt Reagan a heavy blow to his Nicaragua policy by voting repeatedly to deny his aid request for the contras. Recently, 100 House Democrats sent a letter to Reagan, urging him to support a Contadora agreement that meets the "legitimate security considerations" of the United States and to start negotiations with Nicaragua in the Contadora context.

The United States has, on many occasions, blamed Nicaragua for blocking the peace process. In 1984, after Nicaragua had agreed to sign the treaty, the U.S. pressed the other four countries into objecting to it by raising the verification issue. Then in a meeting in Panama April 5-7 this year, the U.S. again accused Nicaragua of refusing to sign the treaty. But, Nicaragua did not refuse in principle. It said it could not sign an agreement unless the United States ceased aiding the "contra" war against Nicaragua.

The "CHRISTIAN SCIENCE MONITOR" called this "hardly an unreasonable position" because "who would expect Nicaragua to commit itself to limit its armed forces and withdraw Soviet and Cuban advisers while it was still under the attack of contra forces supported by the U.S.?" The newspaper article continued, "The way to a Contadora agreement is open" and "the choice between war and diplomacy is ours." "If we miss this opportunity...we may soon find ourselves locked into a pattern of military escalation from which there will be no easy return. History will not then deal kindly with us," the paper concluded.

Whether the United States will take that advice is hard to tell. It really is a kind of good medicine, though a little bitter, because peace in Central America will bring good not only to the region's people, but to the American people as well.

GUANGMING RIBAO ON STUDYING 'WESTERN MARXISM"

HK280749 Beijing GUANGMING RIBAO in Chinese 19 May 86 p 3

[Article by Li Zhongshang: "Studying Marxism by Making Comparisons -- On the Real Significance of Studying 'Western Marxism'"]

[Text] At the party's national delegate conference, Comrade Deng Xiaoping solemnly called on the whole party to study Marxist theory in connection with the new realities. The so-called "new realities" mainly refer to the new social situation at home and abroad. Meanwhile, the study of Marxism should also be linked with the analysis of various trends of thought at home and abroad. Only by making analysis can one make comparisons, and only by making comparisons can one distinguish the true from the false and more profoundly realize the scientific nature and the correctness of Marxism so as to continuously enrich and develop Marxism.

"Western Marxism," which is rather prevalent in developed capitalist countries in modern times, is a trend of thought that we should seriously analyze and study. "Western Marxism" emerged in the early 1920's. It was the result of some communists' efforts to make new explorations in developing Marxism. However, the theories of "Western Marxism" were later developed by Western bourgeois scholars. In the late 1960's, "Western Marxism" came into vogue for a time. An important reason for this was that student and labor movements were surging up in the West, and a "Marxism fever" appeared along with these movement. For example, the press and radio in the FRG talked about Marx, Engles, and Lenin almost every day, and almost all universities and colleges in the United States gave courses in Marxism. "Western Marxism" expanded its influence through the extensive study of Marxism. In the past 30 years, "Western Marxism" was regarded as "unorthodox," "nonpartisan," and "of no political and ideological inclinations" and it was an independent school in the studies of Marxist theory. However, "Western Marxism" itself is not an integrated and systematical system of thought; rather, it is a collection of some regional ideological concepts. It includes various opinions of various schools of thought. For example, it includes such schools of thought as "Marxism of Hegelianism," "practical socialism," "theory of social critique," and "French Marxism." There are some, major differences among these theories. We hold that the western bourgeois scholars studies of Marxism cannot be placed on an equal level with the creative studies of some European communists who made outstanding contributions to the develoment of Marxism. Some Western scholars also include the latter in the category of "Western Marxism," and this is not correct.

Today, when studying "Western Marxism," we should first gain more comprehensive understanding of the regularity of the changes in capitalism through making comparisons, and should answer the questions raised by Western scholars regarding Marxist theory. Thus, we may more profoundly understand the urgent necessity of commanding and developing Marxism. "Western Marxism" is called "Marxism in developed capitalist society." In the eyes of the Western scholars who develop "Western Marxism," the main achievements and characteristics of modern capitalism are the development of science and technology and the affluence of material wealth. In particular, science and technology, as a main part of productive forces, have become a direct source of surplus value. This thus changed the traditional Marxist viewpoint that only man's labor creates surplus value, and also changed the structure and functions of the two major classes in capitalist society.

The antagonism and contradiction between these two classes are no longer the main factor in historical change. Common interests based on maintaing and improving the existing system closely tie the two antagonist classes together, and the proletariat has been integrated into the capitalist system. These viewpoints are obviously erroneous. They neglect the fact that science and technology result from human efforts in making inventions, developments, and operations. Even robots are the result of man's labor, and the value created by such technologies is transfered from the value created by man's labor. The conclusion that the proletariat is integrated with the capitalist system is based merely on a misunderstanding of the concept of "working men" which was related merely to hard work and poverty without regarding the fundamental interests and revolutionary character of the proletariat. In essence, this erroneous viewpoint negates the fact that the capitalist employment relationship will inevitably give rise to two antagonist classes. In addition, on the basis of psychological analysis, "Western Marxism" holds that people's "aversion" to modern capitalist society is the main reason for revolution; on the basis of the viewpoint that culture is a supreme factor that determines everything, it hold that intellectuals and young students form the vanguard of revolution and that "black people, white vagrants, jobless people," and other people of low social strata constitute the main force of revolution. These viewpoints as well as the viewpoint about the future social form are not in line with the actual situation in social revolutions and social development and are also in violation of the basic principles of Marxism.

The study of "Western Marxism" will also enable us to realize more profoundly through comparison that under the contemporary historical conditions which are changing and are quite different from the previous conditions, we should still adhere to the dialectical materialist line and method of thinking. The fundamental reason for the theoretical falsehood of Western Marxism lies in the idealist thinking method, which prevents the Western scholars from correctly understanding the essence of the social phenomena that they can touch. Western Marxism openly calls for studying and restoring the Hegelian philosophical foundation for Marxism. In their eyes, historical phenomena can be correctly understood only in a concrete and integrated historical process, and the advantages of Hegalian philosophy lie in its recognition of the importance of history and its treatment of the subjective body as the original motive force and results of the historical process, which leads to the unity of the subject and the object -- the proletariat with class consciousness -- according to this theory of Hegel. So, "Western Marxism" holds that only Hegelian philosophy is the real source and secret of Marxism and that Marxism is merely the materialist extension of Hegelian philosophy. In order to eliminate "dogmatic Marxism," it is necessary to restore the original Hegelian elements in Marxism. This opinion not only turns Marxism into Hegelianism, but also reverses the process of Marx' transformation of Hegel's idealist philosophy to materialism. In "Western Marxism," idealism regains a dominant position. Facts show that only by adhering to the materialist viewpoint of testing truth in practice can we eliminate dogmatism in the study of Marxism. However, those who advocate "Western Marxism" are trying to seek a solution in Hegel's philosophy. In doing so, they have deviated to an erroneous road. In addition, they advocate that "everything is for man's happiness." It is correct to say this if "man" refers to man in reality and man living in socialism and communism who is free from the enslavement of capital.

However, their concept of "man" is abstract, and it is unavoidable that their theories are not in line with things in reality. They try to simplify Marxism into humanism and to create Marxist humanism. This is in fact retrogression in theory: They draw Marx' "man in reality" back to abstract man and draw special humanism back to general and abstract humanism.

Moreover, the study of Western Marxism will enable us to obtain more valuable food for thought in order to enrich and develop Marxism. Marxism is the crystallization of all advanced thought of mankind. As a science, Marxism is all mankind's wealth. Although the "Western Marxists" have put forward many non-Marxist viewpoints, most of them are sincere in exploring the way to transform society and in seeking truth through studying Marxism as they are dissatisfied with the realities in society. So, they can partly reflect the actual situation in modern capitalist society. For example, they realize the great role of science and technology as a main part of productive forces, and notice the possibility of a proletarian revolution caused by the desire of the working class to improve social welfare. Although their theories and methods are erroneous because they are all based on Hegelianism, existentialism, humanism, and psychological analysis, they can still to a certain degree reveal the fact that the working class and the people are oppressed in capitalist society. "Western Marxism" views the defects of capitalist society from a special angle and also deals with some actual questions concerning the transition from capitalism to socialism. The efforts of "Western Marxists" to combine their theories with modern capitalism are unsuccessful, but their explorations have indeed provided some useful food for thought and we should also seriously consider the questions they have raised or have met.

JINGJI RIBAO VIEWS 'DOUBLE-HUNDRED' POLICY

HK281406 Beijing JINGJI RIBAO in Chinese 24 May 86 p 2

[Article by Yu Guangyuan: "The 'Double-Hundred' Policy Should Be Implemented When Carrying Out Academic Study of Economic Problems"]

[Text] Academic as well as work studies can be conducted on economic issues; the difference between them lies in the nature but not the realm of the study. To find a solution for an economic problem, a work conference may be convened; study will, of course, be conducted at the conference, democracy should also be brought forward, and the participants are encouraged to air their views freely. However, as it is a work conference, actions are to be taken afterwards; therefore, the strategic decision makers are to draw a conlusion (which may, of course, be done after the conference). But once a conclusion is drawn, it must be implemented in practical work. Studies of this nature do not belong to the realm of academic studies. Academic studies do not require everyone to follow their conclusions. Their aim is to explore truth through studies, thinking, and discussions, and often no conclusions are drawn. This is because even when conclusions are drawn, they have no restrictive power. Such studies can only affect our work, and they cannot be decisions on practical work. Regarding the results of academic studies, the strategic decision makers may draw from them what is helpful to them. But this process of absorption has exceeded the realm of academic studies.

The principle of "letting a hundred flowers bloom, letting a hundred schools of thought contend" should be implemented in academic studies. The same with the academic studies on economic issues.

China is today building socialist modernization, of which economic construction occupies the most important place. Many economic issues should undergo research. We have such issues as economic reforms, basic economic science, applied economic issues of all descriptions are awaiting us to do academic research on them. Any research has the nature of experiment. We cannot expect a complete and perfect conclusion promptly in an experiment, nor even a correct one. An erroneous idea exists today that demands correctness in what people say. This is because a mature conclusion presented for the first time in experiment can only be exceptional. If people are required to speak only correct ideas in the course of their experiments, that would block the road on the march to truth. Therefore, we can only encourage people to be bold in exploring truth, and the practice of arbitrarily criticizing people politically is entirely wrong. Because economic issues to be researched are so great in number, the "double-hundred" principle must be well adhered to, and always. The situation of those 30 years should never be allowed to reappear. The "double-hundred" principle was implemented for a very short period of time in those years; then, it was abolished de facto.

Several problems must be well solved if the "double-hundred" principle is to be implemented in academic studies of economics over a long period of time.

First, it is necessary to deepen our understanding of the implementation of the principle of "letting a hundred flowers bloom, letting a hundred schools of thought contend."

The "double-hundred" principle is a basic principle to make science and art thrive. It is drawn from the nature of science and art as well as a basic national policy. If the principle of "letting a hundred flowers bloom" should fail to be implemented in science work, namely, forbidding variation in the topics, approaches, and realms in research, and if the principle of "letting a hundred schools of thought contend" should fail to be implemented, forbidding free discussion, criticism, and counter-criticism in academic studies, would it be possible for the progress of science undertakings in China? Therefore, all incorrect ideas concerning implementation of the "double-hundred" principle should be overcome with an effort.

Second, active support and encouragement should be given to academic studies.

Little encouragement has been given to academic studies on economic issues since the founding of the PRC. Attention has been attached to this respect in recent years; however, it is still far from satisfactory. The encouragement we refer to here primarily means providing a good working condition for researchers. Attention should also be attached to material encouragement; however, working conditions are more important to those people engaged in academic studies. In recent years, there are more restrictions than help to the work of the academic circles, and their enthusiasm has not been successfully developed. The Central Committee called a conference on intellectuals in 1956.

At that conference, Comrade Zhou Enlai delivered a report on behalf of the CPC Central Committee on the question of intellectuals, and emphatically pointed out: The utilization of science and knowledge is all the more necessary in the age of socialism than in any other age past. He proposed that it was necessary fully to mobilize and bring into play the power of the intellectuals, and regarded it a very important measure to offer the intellectuals necessary work conditions and appropriate treatment. This is still very significant today.

And third, it is necessary to open up vast fields of activities for academic studies.

Without a field to publish the results of scientific research, the implementation of the "double-hundred" principle may become empty words. The fields of activities referred to here include all kinds of publications (newspapers, journals, books, as well as other printed matters, audio and video tapes) and academic conferences at which science theses may be read and academic opinions may be aired. Newspapers specialized in economics have greater capacity; aside from other tasks, they may provide academic studies with the greatest possible space for publication and play an important role in the progress of academic studies with economic issues as the object.

CPC MEMBERS' LETTER ATTACKS BUREAUCRACY

OW280841 Beijing XINHUA in English 0629 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Red-tape is meeting increasing challenges as the drive to improve the party style of work goes deeper into the central party and government institutions.

The party committee on state organs today made public a letter written by six rank-and-file party members from the State Planning Commission, exposing how the bureaucratic style of work at the commission impedes the modernization effort, and calling for immediate measures to change all this.

The drive to improve the party style of work was touched off by the Secretariat of the Central Committee of the Chinese Communist Party earlier this year when party General Secretary Hu Yaobang called on central party and government organs to set an example for all units to follow in improving work efficiency.

But the old seems to die hard. Almost half of the year has gone by and little improvement has been made in some departments with regard to bureaucracy.

In the State Planning Commission, which is responsible for examining and approving construction projects, the red-tape has reached intolerable proportions, according to the six from the commission's Mechanical and Electrical Equipment Bureau.

The proposed plan for one large machinery project, the letter said, had passed through the hands of 39 people and took 88 days before it was approved. Another document took 181 days.

For a capital construction project, the average travel time for a document is 57 days. Some documents even get lost in the process.

The main reason, the letter said, is that some leading cadres only indulge in seeking power instead of dedicating themselves to speeding the country's construction and serving the modernization effort.

The letter said that blurred areas of responsibility and the poor professional quality of the staff also contributed to red-tape.

In a comment on the letter, the party committee on central government institutions said that bureaucracy is also seen in other aspects of work, which dampens the zeal of the cadres and people for modernization, harms the image of the party, and obstructs reform and the implementation of the open policy.

The committee urged all government departments to uproot bureaucratic practices and strive for a radical change in the style of work.

LI PENG ATTENDS MEETING OF YOUTH WORKERS

OW270842 Beijing XINHUA Domestic Service in Chinese 1350 GMT 26 May 86

[By reporter Zhang Sutang]

[Excerpts] Beijing, 26 May (XINHUA) -- On the eve of the "1 June" International Children's Day, the CYL Central Committee and the National Committee for Young Pioneers Work cosponsored a meeting at the Great Hall of the People this afternoon for youth workers. Over 160 people, including representatives of outstanding Young Pioneer counselors and outstanding teachers, retired veteran cadres, and youth workers, gathered under the same roof to exchange their experiences in intensifying communist education among young people. They also put forward many imporant proposals.

Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, attended the meeting. Liu Yandong, member of the Secretariat of the CYL Central Committtee, also addressed the meeting. Among those attending the meeting were leading members of the State Education Commission the All-China Women's Federation, and the All-China Federation of Trade Union.

Stresses Moral Education

OW281136 Beijing XINHUA Domestic Service in Chinese 1315 GMT 26 May 86

[Text] Beijing, 26 May (XINHUA) -- Strengthening Moral Education Among Children Is a Fundamental Measure for Enhancing the Quality of the Whole Nation -- speech at a seminar of children's education workers held to mark "1 June" Children's Day

By Li Peng (26 May 1986)

As "1 June" International Children's Day is approaching, the CYL Central Committee and the All-China Young Pioneers' Work Committee are holding a seminiar with Young Pioneers' instructors and children's educational workers here to discuss questions of how to strengthen education in communist ideology and morality among young people and how to effectively promote the sound growth of our new generation in the new situatin brought about by the ongoing reform throughout the country. As this is an important issue of great concern to the party, the entire society, and the people of all nationalities throughout the country, it will certainly have the approval and support of all. We are glad to observe that China's education is developing vigorously as are other fields of work throughout the nation, that education reform is also advancing steadily as are the reforms in other areas of work, that our educational work is making constant progress, and that our children are growing healthily in the embrace of the motherland.

It should be pointed out that the masses of children's educational workers have made tremendous contributions to society by toiling like gardeners tending their saplings. On behalf of the party Central Committee and the State Council, I pay tribute and extend cordial regards to the comrades who are at the seminar today and, through you, to teachers, Young Pioneers' instructors, social educational workers, and other comrades who are concerned about, engaged in, and support children's education. I would also like to take this opportunity to extend holiday greeetings to Young Pioneers and all our little friends throughout the country.

China is in the midst of a new historical era of reform and development; we are living in a world where science and technology keep changing with each passing day, and we are confronted with the two great strategic tasks of defending world peace and developing our economy. China is a developing nation with a population of 1 billion, and its economy is developing very unevenly. It will need the efforts of a few generations to really make it strong and prosperous and to advance it to the level of the world's developed countries economically, scientifically, and culturally. Therefore, our children's educational work is a task of far-reaching significance becuase it is not only geared to the modernization drive but also to the world and the future. As you know, to train competent personnel we must begin with children. Education for children is the foundation of improving the cultural quality of the nation. The Decision of he CPC Central Committee on Reforming the Educational Structure and the law of the People's Republic of China on Compulsory Education were drawn up with the fundamental goal of raising the cultural quality of the nation and training qualified personnel for our country. In socialist China, superiority of the socialist system should be embodied not only in the highly developed productive forces but also in the brining up and molding of an entirely new generation. In cultivating a new generation of people, we must pay attention not only to intellectual development but also to communist ideals, morality, concept of discipline and democracy, and correct attitude toward work. Therefore, to enable children to receive a moral, intellectual, physical, and aesthetic education is the fundamental task of the socialist education cause. The Chinese nation is undergoing a new period of rapid development. Under the leadership of the party, the masses of people are enthusiastically working for socialist modernization and building their future with increased confidence. This style of the times, a style marked by vigorous advancement, will have a profound influence on our children. As members of the new generation, they will live in an environment where there are polictical stability and unity and good living conditions and good opportunities for education. Moreover, social practice in building a material and a spiritual civilization has provided them with a broad avenue for increasing and developing their wisdom and talent. With many virtues and strong points, the children of this generation will become a new type of educated workers possessing specialized knowledge, among whom group after group of scientists, entrepreneurs, writers, artists, and outstanding social workers will emerge. They are a promising generation. Of course, the new generation is bound to encounter new problems. The increase in the number of "only children" in society creates some difficulties in bringing up the next generation. Generaly speaking, the only child will receive better care from his family and from society both in living conditions and in school enrollment. This is the good side of it. On the other hand, the only child may be spoiled by his parents and family.

At the same time, unhealthy tendencies in society may adversely influence some children's ideology and behavior. If parents show no concern for the collective and for other people and despise labor, they may eventually encourage young people to commit crimes. This shows that strengthening moral education among children has become an urgent and important task.

The education of children cannot be achieved in a day. There is a saying that "A massive tree grows out of a small sapling, and a tower of nine stories relies on its foundations." Moral education for children must start in their early years, from their parents and family, schools and society. In conducting education on communism among children, we must not adopt the method with which we educate young people and adults. We should adopt methods and steps suitable to the children's age and the level of their intellectual development. We must use a form acceptable and loved by the children. Moral education for children must be included in their school lessons, in their daily life and amusements. What merits our attention is the fact that, in carrying out education among our children, there still exist regid and outmoded practices which have not been corrected. Experience proves these practices are ineffective. Sometimes, they will create adverse effects and fail to achieve the goals of moral education. Moral education for children should let them gain respect for their nation and pride in their patriotism, and also train them to acquire the sense of collectivism; to foster, from childhood, the good thinking of serving other people, the collective, and the masses; to love labor, respect the working people, and cherish the fruits of hard work; to fear no difficulties, show willingness to learn, boldly create innovation, demonstrate determination, and pay attention to efficiency, and display good moral qualities and style of work in treating people with sincerity and frankness, attaching importance to friendship and keeping one's word. All primary, high schools, and kindergartens must put moral education on the same level as intellectual education and physical training, and pay it full attention. It is quite wrong for some primary and middle schools to focus only the proportion of pupils entering shcools of a higher grade. Such practice is harmful to the children's overall physical and intellectual development. The leadership of the educational departments and schools at all levels must adopt effective measures to correct such an erroneous trend.

In the course of strengthening moral education for children, we must pay full attention to bringing into full play the role of the Young Pioneers' organizations. Children are fond of joining their own organizations. Such organizations have their unique organizational form and activities. They have played a role which cannot be replaced by school education. The aim, task and essence of education in the Young Pioneers' organizations are imbued with the distinctive nature of communist education. Through their own organizations, children are able to learn to teach and guide themselves, and establish their capabilities to think and create novelty in the course of developing their activites. The experience of the Young Pioneers' organizations have proven that moral education is strengthened wherever the work of the Young Pioneers' organizations is active. Therefore, we must regard these organizations as good supplement to the schools, and earnestly support and lead them.

The broad masses of workers among children shoulder the heavy responsibility of bringing up the new generation of the motherland. You have made great contributions to society and to the people under fairly difficult conditions. You deserve the people's trust and society's respect.

Your work may not win as much fame as other people, your remuneration may not be very high, and your living and learning conditions may not be ideal. However, your work is what our society needs, and your responsibility is heavy. Therefore, your job is glorious. It is hoped that you will all work hard, with unshakable courage and determination, overcome the difficulties on your road of advance, and be resolved to become outstanding workers among children.

To carry out overall reform is currently a major event of the utmost importance in China, and the focus of the Seventh 5-Year Plan. In the course of gradually reforming our economic, scientific, technological, and educational system we sahll face many new situations. Therefore, it is necessary for our workers among children to conscientiously study the various principles and policies of the party, understand progress in promoting reforms, and actively participate in various reforms. Only by doing so will it be possible for us to provide correct answers to the various questions raised by children in face of actual life, and to guide them to correctly understand things. Otherwise, moral education might become a matter of formality. People will not understand what moral education for children is aimed at, and what we say will not be very convincing.

Children are good at imitating others. They can be greatly influenced by their educators. Whatever educators say and do exerts a subtle influence on them. It is precisely for this reason that children's educations must strengthen their self-cultivation, continually improve their own ideological and moral qualities, use their sublime ideals to help children develop their own ideals, their noble sentiments to help children temper their temperament, and their lofty spirit to help children cultivate their minds. Today's children, thirsting for knowledge and troubled by curiousity, like to question and think. In face of this situation, educational workers among children must study hard and broaden their knowledge. Only by continually improving themselves will it be possible for them to teach children fresh knowledge.

To bring up a new generation is a major event for all society. All sectors of society need to exert their own efforts and perform their own repsonbilities. The whole party, the entire society, and all the people must form one concept. That is, to serve children means to serve the future of the motherland. All comrades must consciously love children, take them into consideration at all times, and wholeheartedly serve them. In this regard, many old comrades have already set us a good example. After retirement, they still show great concern for children, educate them with rousing enthusiasm, fear no hardship, and offer their remaining years to cultivating the new generation. Their foresight and dedication should be brought into full play throughout society. People in the fields of literature, art, film-making and television, journalism, broadcasting, and publication must regard their activities to promote the healthy growth of children as their own responsibility, and try a thousand and one ways to provide children with more, and better, intellectual products. It is my belief that, as long as schools, Young Pioneers' organizations, and all sectors of society pool their efforts, the quality of China's new generation and the whole Chinese nation will certainly be improved, and the new generation of people imbued with lofty ideals and creativity will definitely thrive.

EDUCATION COMMISSION STRESSES PRE-SCHOOL EDUCATION

HK280438 Beijing CHINA DAILY in English 28 May 86 p 1

[By staff reporter Xu Yuanchao]

[Text] Pre-school classes for children, organized by primary schools, are emerging as a major solution to the lack of kindergartens in rural areas, according to the State Education Commission.

A circular to be issued in June by the commission urges education departments nationwide to pay more attention to pre-school education.

According to the circular, classes are being offered for the year before children enter primary schools. Last year, 14 million children attended such clases, some 41 percent of the number in kindergatens.. In rural areas, the number attending the classes was 53 percent of those in kindergartens.

Children in the pre-school classes have at least two hours of outdoor activities, including an hour of physical training.

Children will be encouraged to be independent, hard-working and to care for each other, said the circular.

All children, including those of minority nationality, must learn putonghua (standard Chinese) and simple arithmetic.

in rural areas, the pre-school classes had solved the problem of some children being unable to enter kindergartens, an official of the State Education Commission said.

Beijing's Vice-Mayor Chen Haosu said in an interview with CHINA DAILY that improvement of pre-school education was an arduous task ahead for the municipal government.

According to Chen, Beijing has 5,010 nurseries and kindergartens which cater for 370,000 of Beijing's 930,000 pre-school children.

In city areas 61 percent of children find places in nurseries and kindergartens, but in rural areas only 20 percent attend.

Chen said plans to build kindergartens in new apartment complexes had not been carried out, the space allotted often being occupied by such facilities as hotels and restaurants.

About 10 percent of nurseries and kindergartens in the city are run by the municipal government and 70 percent by ministries, organizations, and enterprises.

More qualified staff are to be assigned to nurseries and kindergartens, said Chen.

Meanwhile, a forum of childcare workers in Beijing on Monday to mark the coming Children's day, Vice-Premier Li Peng said: "The education of children is the foundation in improving the cultural quality of the people."

He said that as China's "only children" grew up, the chances of them becoming "spoilt" were high. So moral education had become an urgent task, he added.

He said moral educaton should teach respect for the nation, a sense of collectivism and a love of labour. Li said the work should begin in children's early years and be undertaken by family, schools, and society.

He called on all primary and high schools and kindergartens to put moral education on the same footing as intellectual and physical training, saying it was quite wrong for schools to focus only on the proportion of their pupils entering high schools. A child should progress in every field, he added.

CHEN PIXIAN AND PROMOTING COMPULSORY EDUCATION

OW280559 Beijing XINHUA Domestic Service in Chinese 1410 GMT 27 May 86

[By reporter Hua Guiqin]

[Text] Nanchang, 27 May (XINHUA) -- When inspecting Jiangxi recently, Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing committee, stressed that at present, the standing committees of the people's congresses, governments, and education departments in all localities should seriously enforce the "law on compulsory education of the People's Republic of China" with the greatest zeal and by doing down-to-earth work.

Yesterday morning, Chen Pixian met with leading members of the Standing Committee of the Jiangxi Provincial People's Cogress and its subordinate special commissions. He said: The tasks now before the standing committees of the people's congresses at all levels and the govenrments and education departments in all localities are" 1) to publicize with the greatest zeal the law on compulsory education so as to make it known to eveyone and create a nationwide atmosphere of attaching importance to the popularization of this education, and 2) to do down-to-earth work to actually enforce the law on compulsory education. The standing committees of the people's congreses at all levels should supervise the enforcement of this law. In addition, Comrade Chen Pixian suggested that the standing commmittees of the people's congresses at all levels should orgnaize work teams to investigate and study the number of schools in a locality, the number of teachers and their level of proficiency as well as such qustions as difficulties expected to be encountered in enforcing the law on compulsory education. He added, investigation reports containing data and analyses and suggesting measures should be written to be used by the party committees and governments concerned as a basis for enforcing the law on compulsory education.

ZHANG AIPING, OTHERS WATCH CHILDREN'S PERFORMANCE

OW271052 Beijing XINHUA Domestic Service in Chinsese 1527 GMT 26 May 86

[By reporter Gi Hanxiao]

[Summary] Beijing, 26 May (XINHUA) -- Members of the Air Force's Blue Sky Children's Art Troupe today revealed Chinese chidlren's lofty ambitions and ideals in a song and dance performance entitled "Fly to the Future" they staged at the CPPCC national Committee auditorium.

"On 24 may, Hao Jianxiu, member of the Secretariat of the CPC Central Committee, wrote a letter to the troupe's young performers greeting the success of their show and urging them to treasure their good learning conditions and lay a good foundation so that they contribute to socialist material and spiritual construction hen they grow up.

"Zhang Aiping, Kang Keqing, Gian Changzho, Zhow Peiyuan, and Lei Jieqiong watched the children's performance with great interest."

'GIST' OF PENG ZHEN 1981 SPEECH ON CIVIL CODE

HK230203 Beijing RENMIN RIBAO in Chinese 15 May 86 p 4

["Gist of Speech by Peng Zhen at 27 May 1981 Forum on Civil Code"]

[Text] The drafting of the civil code has not taken long, but has achieved substantial results. The second draft has come out. On the basis of this, we can widely solicit opinions and exchange views. A problem raised is the beginning of its solution. For example, some comrades say that the civil code draft does not tell much about "three matters of agriculture" (the countryside, farming, and the peasant). With this problem raised, we can pay attention to its solution.

The current forum is attended by more than 20 judicial workers, responsible comrades of various departments, comrades specializing in the science of law and other fields. This is highly necessary. The drawback is a reduced number of comrades in charge of rural work present. The next forum must be attended by more comrades with actual work experience in various fields.

I have scanned some bulletins on the forum. Without the benefit of investigation and study, I give here several views for comrades' reference.

1. Legislation Must Be Based on the Actual Conditions of China With An Eye to Contemporary and Historical Realities in Investigation and Study

Our civil code is the civil code of the People's Republic of China and not that of the Soviet Union and Eastern Europe nor that of Britain and the United States, the Continent or Japan. Where does our civil code come from? It must come from China's realities.

First, we must proceed from actual conditions in China's real life. This provides the basis for legislation. Realities are quite complicated. Now we are not only in the historical transition period of socialist society but also in the transition period of major readjustment. Conditions in political, economic, cultural and other fields are changing. We are facing a host of new problems, many of them of a fundamental nature. As far as existing problems are concerned, the economic system is in the process of readjustment and reform. Many experimental enterprises are gaining experience. The production responsibility system of linking remuneration with output is being tried out by communes and brigades in the countryside. There is also the problem of separation or non-separation of government administration and commune management, and other problems. All these call for investigation and study. When it comes to legislation, our experiences are still not ripe enough where many problems are concerned. The economic relations among various units under the system of collective ownership, and individually operated units and individuals represent the basis for the civil code. Many matters involving agriculture, industry, commerce and the service trade are in a groping stage. This makes it difficult to introduce the civil code. After the fundamental completion of the socialist transformation of the system of ownership of the means of production, how should we make the transition to communism? There is not now one country with an overall experience that can be used as a model to bring success.

Nor do we have an overall systematic way to bring about a solution. On some problems, experiences may be borrowed from the Soviet Union and other countries. But it is impossible to find a perfect answer that can bring about the fundamental solution of our problems. To solve these problems, we must look into our country's actual conditions, discover the kind of problems existing and study ways to bring about a gradual solution. Also, in our approach to relations in many civil cases, such as inheritance, dividing up family property, and so forth, we must pay attention to customs and traditional practices among the masses. The Kuomintang had a civil code, but it probably also did not have much effect on the countryside. Customs were still followed there and things were mostly done according to traditional practices. The so-called "Confucian or feudal ethical code" embodies many customs and practices of the masses. It is also part of the civil code. Therefore, we must not treat customs and traditions among the masses lightly and must pay proper attention to investigation and study. Given neglect, it would be difficult to get things done, especially in the countryside. Of course, we must make a concrete analysis of customs and traditional practices from the proletarian stand and from the stand of the interests of the largest number of people, throwing away the backward stuff and absorbing what is good and useful. In sum, only by proceeding from the actual conditions of our country and acting according to the principles of the socialist legal system in working out our civil code can we do things in a smooth way. If it is asked what is the mother of the civil code, as far as the legal system itself is concerned, the mother, in the final analysis, is the realities of China and a population of 1 billion in a land of 9.6 million square kilometers.

In studying problems, we cannot separate legislation from history. We are the offspring of our parents, who in turn are the offspring of our paternal and maternal grandfathers and grandmothers. All of us have a history. Historically, our country has not been without a civil code. Customs and practice actually have in them many components of the civil code, or what is called common law. The civil code must take real-life economic relations as its basis. On the other hand, law itself has its own history of development and its own system. In drafting the civil code, apart from studying social economic relations in real life, we must pay attention to realities in our country's history and the history of our civil code, and critically absorb what is useful therein.

We must also study the civil code of foreign countries. The capitalist civil code is more advanced than its feudalist counterpart. The socialist civil code is more advanced than its capitalist counterpart and has fundamental differences. The civil codes of the Soviet Union and East European countries, and the civil codes of socialist states -- all of them must be studied. They embody lots of experience that can be borrowed by us. All that is good and useful to use must be absorbed.

2. We Must Seriously Consider Different Views of Various Kinds

In carrying out investigations and studies, we must listen to the views of cadres, workers, peasants, experts, intellectuals and various other quarters. In soliciting opinions, there is likely to be a lot of debate. Some views are at odds and even diametrically opposed. Current and past views differ. Views vary between town and country and between workers and peasants. Among commune members, cadres, intellectuals and experts, different views are held.

Things are developing amidst contradictions. We must welcome differing views and properly listen to and seriously consider different views. The more different views the better. Different views allow comparison and assessment and make for the better handling of the civil code. We must not consider ourselves always in the right and must seek truth from facts. We must never think that our own view, right of wrong, cannot be changed. This is not the Marxist attitude. We must not be fixed in our way of thinking. We must dso things according to reality, uphold the truth and be ever ready to rectify mistakes, in order to bring our awareness realitively in line with reality. To do away with fixed ideas, we must widely collect views. Law must be obeyed by a population of 1 billion. In formulating the law, only by setting forth contradictions, problems and views in all quarters, properly studying them, absorbing what is correct and dropping what is wrong, and concentrating correct views can we make the law relatively compatible with reality and practice.

Another thing I want to say is that we tend to let anything said during discussions in the process of legislation count. It should like this: What is correct counts. What is incorrect does not count. What is approved by everyone counts. What is approved by everyone but not approved by the NPC also cannot count. We must encourage everyone to voice different views and dare to speak out, so that the law formulated by us can avoid or show fewer mistakes.

3. The formulation of the Civil Code and Special Laws Can Proceed at the Same Time

The civil code is not what can be formulated in a short time. This is not a matter of our not doing our best. The problem itself is very complicated. In addition, the system is undergoing a reform, which in itself is a matter not yet completely solved. So we are encountering actual difficulties. Therefore, we must work on the civil code on the one hand, and on the other hand, get involved with special laws. Work on the civil code and special laws can proceed at the same time. Various departments can work on special laws and can also first work out relevant rules and systemsd or other administrative laws and regulations. They can also first submit the relatively ripe portions in the draft civil code for deliberation and promulgation as special laws and regulations. Special laws can be handled with relative ease and are relatively flexible. They can be changed with greater ease where there are mistakes. The civil code must be treated with relatively great prudence. It is not good to change it shortly after its formulation. We can first get involved with special laws. When such laws have ripened, they can be further incorporated in the civil code. The criminal code has gone through more than 30 drafts. The civil code will not necessarily go through so many drafts. But we must be prepared to work out several more drafts. We must be keen in our work, but must refrain from being rash and doing things perfunctorily. We must pay serious attention to investigation and study. We must put down only what has become ripe and not incorporate what is not ripe. What is incorporated is not necessarily perfect, as it can later be supplemented.

After revision on the basis of the views put forth at this forum, this draft can be passed on the lower levels, in order to solicit more views.

It can also serve as reference to the court in handling cases. What is considered by the court as compatible with reality can be used as a guide. What is considered incompatible with reality can be pointed out to be revised. Major, moderate and minor revisions can be made.

Comrades have asked me to speak. As I have not made a systematic study, I actually do not have much to say. I have given the above impromptu views for the reference of comrades.

PENG ZHEN COMMENTS ON DRAFT CIVIL CODE

HK230155 Beijing RENMIN RIBAO in Chinese 15 May 86 p 4

["Gist of Speech by Peng Zhen at National Forum on 'the General Principles of Civil Code (Draft)' held on 4 December 1985"]

[Text] The current forum is called at my proposal with previous consultation with the leading member of the Central Committee and the approval of the meeting for NPC chairman and vice chairmen. In drawing up the 1954 Constitution and the new 1982 Constitution, a wide variety of experts and workers having genuine talent and rich experiences were invited to participate in repeated discussions and revisions. In the current forum, many experts and practical workers throughout the nation have also been invited to discuss and to revise the Draft Civil Code General Principles. This is a very good organizational form in law-making by linking actual conditions with democratic centralism. It should be adopted continuously from now on. I would like to talk about two issues:

1. Linking Theory With Practice

Inviting the participation of specialists and actual workers in drawing up important laws is not simply a technical question. Our comrades engaged in practical work have rich experiences in practice, but they are busy with their day-to-day work, and most of them do not have time to study theory well. But most of the comrades engaged in theoretical study have little contact with the realities of life. Therefore, theory and practice have not been well linked. This is a basic shortcoming in our work. It is precisely because of this basic shortcoming that Comrade Deng Xiaoping proposed the new requirement on cadres of studying Marxist theory at the national party congress for representatives. During the Yanan rectification campaign, cadres' study of Marxist theory was linked with China's revolutionary practice, with a lot of problems solved. Theory is derived from practice, and is to be tested by social practice; otherwise, it will be very difficult to become a theoretical authority. Mao Zedong Thought is the thinking which links the universal truth of Marxism-Leninism with China's revolutionary practice. Some people proposed naming this doctrine Maoism, but Chairman Mao would not agree to it. Then Mao Zedong Thought was proposed, and he said, if all of you are for naming the thinking which links the universal truth of Marxist-Leninism-Mao Zedong Thought, with my name as the representatives, I will accept it; but I must declare that this is the collective offspring of the Chinese revolution, and the ideological crystalization of the common efforts of many comrades. It does not belong to me personally. During the "Great Cultural Revolution," Lin Biao said "every sentence of Chairman Mao's words is truth," and Chairman Mao's words were the supreme instruction.

That did not conform to facts, neither Marxism-Leninism nor the party's principle of democratic centralism. That was a basic distortion of Mao Zedong Thought.

Likewise, theory must be linked with practice in legislative work. Comrades engaged in practical work of judicature and legislature today have rich experiences in practice, but most of them have not spent enough time on theoretical study, when most of the comrades engaged in teaching or theoretical research in law schools or scientific research departments are not quite familiar with the actual conditions. What are we to do about it? Inviting the participation of experts in all fields and comrades engaged in practical work in joint discussion, deliberation and revision in the course of drawing up laws may link theory and practice closely and help mend the shortcomings in this respect.

Legislature should start from China's actual conditions, solving China's practical problems. The Civil Code General Principles are set up to solve some common problems in civil law. Ours is a socialist country. Socialist public ownership is the foundation of the socialist economic system; however, three categories of economy still exist. Commodity exchange and a market are needed between different categories of economy, in different economies themselves as well as between the consumers and producers. In addition, the complicated human relations in social life all have need for a civil law. Back in 1954, the NPC Standing Committee General Office formally began the work of drafting the civil law, and the Committee for the Legal System under the NPC Standing Committee organized a civil code drafting panel in 1979. It is really not easy to work out a statute of the civil code. China's civil law should start from China's actual conditions and solve China's practical problems. It is impossible to work out a complete and perfect civil code because some problems have not been raised in practice, or have been raised, but the whole picture is not clear and we lack mature experiences to solve them. That is why when working out a civil code we are drawing up separate decrees. With the development of history and the accumulation of experiences, the law will be developed and gradually made complete and perfect. It takes a very long historical period to realize communism. The law will gradually become complete and perfect during this period. The task is heavy and our responsibilities are heavy.

Law is a branch of science which has its own system, vertical as well as horizontal, and it especially cannot run counter to the constitution. Legislative work should have systematic theoretical guidance. We should refer to foreign experiences, whether they belong to socialist countries or capitalist countries, whether they are of the British or the American legal system or the European continental legal system; we should refer to China's historical experiences as well. However, we should absorb what is helpful and good to our legislative work today by discarding the dross and selecting the essence, based on China's actual conditions.

2. A High Level of Centralism on the Basis of a High Level of Democracy

A high level of democracy and a high level of centralism are a dialectical unity. Ours is a socialist country; a high level of socialist democracy and centralism can be implemented in China because socialist transformation of the private ownership of production has already been completed in China, and the exploitive system has already been eliminated; the basic interests of all nationalities in China are unanimous; the working class will thoroughly emancipate itself only when all mankind is emancipated. Therefore, its vanguard, the Communist Party has no particular interests of its own aside from serving the people wholeheartedly. This is the basis of our high level of democracy and centralism. Likewise, our legislative work must also implement a high level of democracy and centralism. The genuine unanimity in opinions of the majority and a high level of centralism are possible only on the basis of a high level of democracy. Our laws are to be consciously and actively observed and implemented mainly by the cadres and the people; if the unanimity in opinions of the majority is acquired in drawing up the laws, their implementation will be smooth and easier.

Of course there will still be contradictions of all sorts between people even when their basic interests are unanimous. It is precisely for relevant legislature to draw a demarcation line between these contradictions as a criterion for their rational solution. What criteria should be used in drawing the demarcation line? Those contradictions between units and individuals in social and economic life should be solved under the premise that the basic interests of the people of all nationalities and the constitution should not be countered. It will not be easy to draw that line; therefore we should be very solemn and careful in making laws, namely, it is necessary to listen to the opinions of all departments, giving them repeated consideration, to centralize correct opinions, to project potential problems in implementation, and to pay continuous attention to the test of social practice.

Democratic centralism is China's political system, and the mass line is our basic line. It is necessary to adhere to the system of democratic centralism and to realize a high level of centralism on the basis of a high level of democracy in the work of the NPC Standing Committee and the course of drawing up the laws. We should adhere to the mass line, and the principle "from the masses, to the masses," and make repeated testing through practice. We should not only centralize the opinions of NPC members and delegates, but also listen to, reflect and centralize the opinions of the masses as well as specialists and practical workers of all fields. It was the same case with the constitution. The Central Committee has discussed it successively on eight occasions, and the constitution revising committee had discussed and revised every article of it on numerous occasions, but when it was finally submitted to the NPC for their examination and discussion, again many places had been revised. Because democracy had been given play on a wide scale, a high level of centralism was accomplished; with 3,040 delegates taking part in a secret ballot, less than one per thousand abstained from voting, the rest were all affirmative votes. The civil code general principles is an important basic law; I hope you will all air your views fully and freely, study it seriously and discuss and revise it scientifically. And your suggestions on additions, deletions, and rewritting will be seriously studied and considered. I believe, so doing will make the civil code general principles more practical, thorough, and compact.

The above suggestions are for your reference only.

RENMIN RIBAO ON GEZHOUBA RESULTS, EXPERIENCE

HK260739 Beijing RENMIN RIBAO in Chinese 19 May 86 p 2

[Article by staff reporter Ai Feng: "Enlightenment Gained From the Gezhouba Water Conservancy Projects"]

[Excerpts] Economic Results of the Gezhouba Projects

The heart-stirring scene of holding back the water in a part of Chang Jiang on 4 January 1981 still remains fresh in the memory of many people. But what attracts more attention are the economic results produced by the Gezhouba projects over the past few years. Take generating electricity for example. One generating unit generated 225 million kilowatt hours in 1981. Four generating units generated 3.27 billion kilowatt hours in 1982. Seven generating units generated 6.08 billion kilowatt hours in 1983, 7.08 billion kilowatt hours in 1984, and 7.28 billion kilowatt hours in 1985.

Electric energy production totaled some 23.9 billion kilowatt hours during the 5 years. Calculated at 6.5 fen per kilowatt hour, the total output value was 1.558 yuan.

Arising Amid Controversy

Reading a press report on Gezhouba, an inexperienced reader may not pay enough heed to the sentence, "it is an important component of the Sanxia projects." In fact, this is the key to understanding the Gezhouba projects. Gezhouba was a "Cheng Yanjin" who appeared in the middle of the Sanxia projects.

It is public knowledge that there is a river called Chang Jiang in China and that Sanxia, a rare treasure house in the world, is situated in a part of it. At the beginning of this treasure house. In his "General Plan for Building the Country" published in 1921, Dr Sun Yat-sen suggested "building a barrier across the river to dam up the water so that ships can sail upstream and the water resources be exploited." In 1932, Chinese electrical engineer Yun Zhen, hydropower engineer Cao Ruizhi, and water conservancy engineer Zong Xishang worked out a plan to exploit it. In 1944, (Savange) [sa fan qi 5646 0416 1142], chief engineer of the U.S. Burea for Land Reclamation, came to Sanxia on invitation for a survey. He proposed a plan to build a dam in Najinguan, which is near Yichang. In the post-liberation year of 1954, big floods broke out in the middle and lower reaches of Chang Jiang, which prompted the central authorities to resolve to build the Sanxia projects. In 1956, Comrade Mao Zedong wrote the following poem vividly depicting this idea: "Walls of stone will stand upstream to the west, to hold back Wu Shan's clouds and rain, till a smooth lake rises in the narrow gorges." at that time, Soviet specialists were invited to help China prove the correctness of its plan for the Sanxia projects.

Until this time, no one thought of or suggested building the Gezhouba projects.

From 1955 to 1959, a long-winded argument took place on the selection of the site for building the Sanxia dam. Soviet specialists were inclined to agree with (Savange)'s plan, thinking that since he was a world-famous engineer, his plan was difficult to negate.

This of course was an academic argument expressing responsibility for the projects. Those who took part in the argument debated with each other, enlightened each other, and corrected each other. During the argument, a new idea cropped up: To build a reverse regulatory reservoir in Gezhouba in order to coordinate with the Sanxia project.

Good at Making Conclusions

Their original idea was to build the Sanxia projects first and then start with Gezhouba. But under the special conditions during the "Great Cultural Revolution," the Gezhouba projects started in December 1970 ahead of Sanxia. This was like pushing an unprepared stand-in onstage due to a change in script. Naturally, he found it very difficult to perform. While approving construction of the Gezhouba projects, Premier Zhou Enlai instructed that the projects be taken as "on-the-spot preparations" for the future Sanxia projects. Today, the CPC Central Committee and the State Council have adopted a prudent policy toward the Sanxia projects, which are being planned, and have demanded that careful preparations be made and economic and technical deliberations be provided. Now, the main part of this "stand-in's" "lines" people will hear may be this: It is necessary to confirm the achievements in the on-the-spot preparations and to profoundly sum up the experience in the on-the-spot preparations, and everyone is required to use his brain to "contribute all sorts of ideas" with the aim of providing more people better knowledge of the Gezhouba projects. In this respect, there is no substitute for Gezhouba.

YOUTH ATTENDING CHURCH 'CAUSING DEEP THOUGHTS'

HK230024 Beijing WENZHAI BAO in Chinese No 312, 15 May 86 p 3

[Summary of article in NAN FENG CHUANG, NO 4: "A Question Causing Deep thought"]

[Text] There are six Christian churches in Guangzhou. Of the 500 members baptized in recent years, half are young people and teenagers. A greater number of people who are not yet believers have shown interest in Christianity. A young worker says that he chanced to drop in a church just to watch the goings-on there, when "all of a sudden, I found myself deeply moved. The priest spoke with absorbing interest, doing a much better job than the party secretary of our factory." Guangzhou No 24 Middle School happens to be a close neighbor of Xiantang church. The students often go to the church just to watch the goings-on after school. They say they "don't know why the sermons of the priest are more acceptable than the counsel of our class instructors and principal." A college girl made this straigthforward remark: I have seen too many things faked and heard too many lies over the past 10 years and more. My soul seems to be purified and pacified by going to church.

These phenomena demonstrate that the party's policies on religion are implemented and protected; however, they also pose a question to parents, teachers, factory directors...those who are engaged in ideological education: Life has challenged you to a new battle!

RADIO LECTURE ON COUNTERREVOLUTIONARY CRIME

OW290357 Beijing Domestic Service in Mandarin 0245 GMT 28 May 86

[From the "Legal System" program: "Common Knowledge on Criminal Law, No 63: What Is Counterrevolutionary Sabotage Law?"]

[Excerpts] Such was the case. On 12 September 1984 in the lobby of a railway station in a southern Chinese city, a passenger suddenly screamed "bomb, bomb" when he saw smoke coming from a blasting fuse in a handbag. Al the passengers were shocked when they heard the scream, and then all of them started to run out of the railway station. There was a great panic.

A few seconds later the bomb exploded with a deafening roar. This was a vicious sabotage case. Two days later, criminal (Zhang Haisheng): You better explain why you ignited this bomb. Lifting his pale face, (Zhang Haisheng) said disjointedly: after I was demobilized from the Army, I started to work in a factory. I often stayed away from work for long periods, without leave because the work in the factory was hard, while my pay was low. Later, I was dismissed by the factory. After that I engaged in smuggling and began to peddle smuggled goods. I was caught smuggling. I had to pay a fine, while my smuggled goods were confiscated. Later, the public security organs were investigating me because I was involved in scuffles and robberies. At first, I was disappointed with society. Then, gradually my disappointment became hatred. I hated this society, and I wanted to take my revenge on the whole society through a bombing.

Listeners, from (Zhang Haisheng's) case, we can see that this case has the two main characteristics of the counterrevolutionary sabotage crime. 1.) The perpetrator objectively carried out counterrevolutionary sabotage activities. (Zhang Haisheng's) use of a bomb to destroy the railway station was a kind of counterrevolutionary sabotage act. His act was aimed at undermining the basic interests of the socialist nation of the people's democratic dictatorship and the basic interests of the people. 2.) The perpetrator subjectively proceeded from a counterrevolutionary motive. This counterrevolutionary sabotage crime is not only an intentionally committed crime, it must also have a counterrevolutionary motive. This is an important special feature of the counterrevolutionary sabotage crime. This is the demarcation line distinguishing a counterrevolutionry sabotage crime from an ordinary sabotage crime. An ordinary sabotage crime is subjectively aimed at taking personal revenge, shifting blame onto others, covering up criminal activities, and achieving personal gain. However, a counterrevolutionary sabotage crime is subjectively aimed at overthrowing the state of the people's democratic dictatorship as well as the socialist system.

Criminal (Zhang Haisheng's) bombing of the railway station inflicted a bad political influence on the country. On the basis of Article 100, Section 1; Article 103,and Article 53, Section 1 of the Criminal Law, the Intermediate People's Court of a certain city sentenced (Zhang Haisheng) to death and deprived him of his political rights for life.

RADIO LECTURE DESCRIBES CASE OF SPYING

OW241053 Beijing Domestic Service in Mandarin 0245 GMT 23 May 86

[Excerpts] Listeners, we now broadcast the 59th lecture on general knowledge of the criminal law: What is the crime of spying?

A silvery airliner on an international flight slowly landed at the international airport of a big city of our country. A pretty young woman came out of the cabin and deplaned along with other passengers. As soon as she stepped down from the ramp, she was handcuffed and taken away. She was a woman by the name of (Ji) who went abroad to study and joined the enemy's secret service. In 1980, by using her father's power and connections, she went to Japan to further her studies. While in Japan she was affected by vanity: She sought ease and comfort and was very fond of socializing, but failed to devote herself to study.

The enemy's secret service organ soon noticed the woman by the name of (Ji), who was living a dissolute life. Lured by money, shw sold her soul by joining the secret service organ. In a matter of a few years she used her personal appeal and the social connections of her high-ranking cadre family to collect a lot of domestic political and economic intelligence for the enemy's secret service organ through personnel abroad and her relatives and friends at home. As a result, she was in her superior's good graces. To make full use of her, the enemy's secret service organ dispatched her back. Little did she expect that she would be arrested according to the law the moment she stepped on the soil of her country. The procuratorial organ instituted proceedings against her, accusing her of spying. The crime of spying refers to stealing, secretly gathering, or providing intelligence for an enemy and taking party in a secret service or accepting a mission assigned by an enemy. Here intelligence refers to more than state secret -- it also refers to all information and data that an enemy can use to sabotage our country.

The above-mentioned woman by the name of (Ji) formally joined the enemy's secret service organ while she was studying abroad, was appointed an intelligence agent holding the rank of captain, supplied the enemy's secret service organ with large amounts of intelligence, and even accepted an assignment to return home for counterrevolutionary activities. She has committed the crime of spying. After a trial the Intermediate People's Court of a certain city sentenced the woman by the name of (Ji) to 15 years" fixed-term imprisonment on the charge of spying, according to the law.

RENMIN RIBAO URGES GRADUATES TO WORK IN NORTHWEST

HK220909 Beijing RENMIN RIBAO in Chinese 17 May 86 p 1

[Commentator's article: "Make Contributions and Do Pioneering Work in Places Where Conditions Are Hardest"]

[Text] Since Comrade Hu Yaobang called on the people to "develop the northwest" in 1983, large numbers of college graduates have "vied with one another to become persons of ideals and to dedicate their youth to the northwest." They have worked diligently there under rather difficult conditions. Some have already made substantial contributions to the development of the northwest. They have also gained much ideologically and have increased their knowledge. We may say that they have taken a firm step to maturity.

As early as in the 1950's and the 1960's when part of Shanghai Jiaotong University moved to Xian, many students already regarded "making contributions to the northwest" as their ideal. With their arduous struggle in the past 20 or 30 years, college graduates from Jiaotong University and other universities who are working in the northwest have become the backbone force on many fronts and some have become senior scientific research workers or technological personnel.

These facts have shown that if young people want to become capable people for the construction of the motherland, they must have the spirit of fearing neither hardship nor difficulties and obstacles. Compared with those in the hinterland and the coastal areas, the conditions for work, study, and daily life in the northwest are poorer an life is tougher. However, difficult circumstance can temper one's will and strengthn one's perseverence in overcoming difficulties. "Carving and polishing increase the value of a piece of jade." This is also true of a person. "All men of great talent have gone through much hardship." None of them has traveled a smooth and straight path. College students of today are relatively young and do not have much experience in life. They have experienced little hardship. Many of them lack a strong will and the stamina to overcome difficulties. This is a weak point. Going to face the world, brave the storm, and temper themselves in places where conditions are hard will greatly benefit the healthy growth of young people.

At present, there are some college students who have the desire to make contributions to the motherland's modernization drive and also have an enterprising spirit, but who are not farsighted. They have given much consideration to their personal aspirations and personal interests, but little consideration to the needs of the country or the interests of the country. They pay much attention to immediate interests but little attention to the long-term interests. They are reluctant to part with big cities or places where conditions are good. They are not willing to go to places where conditions are hard. They often regard the locations of their work more important than the nature of their jobs. They are willing to go to places where conditions are good even if they have to take up work which they are not trained for. In this way, they will fail to turn their desire of dedicating themselves to the modernization drive into concrete actions of doing pioneering work. It does not mean that people cannot become talented in big cities or in places where the conditions are good. However, many college graduates have already poured into these places in the past few years. In the northwest an in other places where conditions are hard, there is a serious shortage of qualified personnel. There, college graduates can give full play to their talents and special skills, accomplish more, and realize their aspirations.

With the work of construction in the past 30 years and more, the conditions in the northwest and in other places have also improved. The conditions there are called difficult conditions only when they are compared with the conditions in other places, but they are actually not so hard as people have imagined. Moreover, as college students of the 1980's, we should have the high aspiration of "serving in any place which needs us." We should participate in fulfilling the country's urgent tasks, think of problems which the people are thinking about, and go all out to serve the country while we are young so that our lives may shine more brilliantly. The time for assigning jobs to college graduates is approaching.

Let all college graduates follow the examples of those graduates in the 1950's and the 1960's, and those of the past few years, go to work in places where the country needs us most, and be determined to become an outstanding youth ready to do pioneering work in a place where conditions are hard!

AI ZHISHENG ON MERGER OFFILM INDUSTRY WITH TV

HK270151 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 20, 19 May 86 pp 4-5

[Article by reporter Yin Jindi: "Make up for Each Other's Deficiencies and Improve Together -- Ai Zhisheng Talks About Combination of Film and Television Work"]

[Excerpts] The merger of China's film industry, which was previously subordinate to the Ministry of Culture, into the Ministry of Broadcast and Television, which was renamed Ministry of Broadcast, Film, and Television, has aroused interest and attention among the people at home and abroad. Why is the merger necessary? What advantages will the merger bring about? Will this effect the quality of the art of film? Recently, this LIAOWANG reporter brought these questions in which people are interested to an interview with Ai Zhisheng, minister of broadcast, film, and television.

Ai Zhisheng warmly received this reporter at his office. After telling him about the purpose of the interview, he smiled and said: It is true that the public is concerned about the merger of the film industry and the Ministry of Broadcast and Television. Some rumors are circulating and there are also some misunderstandings. He said: This is mainly because people do not understand the real situation and the film industry and television are closely related to the general public. It is no wonder that the public has paid much attention to the merger of film and television work.

Ai Zhisheng said: The CPC central leadership and the State Council have studied the merger for a long time, and the plan was put forward last summer. In October, the central leaders in charge discussed this matter with responsible people of the Ministry of Broadacast and Television and the Ministry of Culture. In November, after making investigations and studies and consulting all parties concerned, the central leadership submitted the proposal on setting up the Ministry of Braodcast, Film, and Television to the NPC Standing Committee. In January this year, the NPC Standing Committee adopted a resolution at its 14th meeting on shifting the entire film system from the Ministry of Culture to the Ministry of Broadcast and Television and changing the latter into the Ministry of Broadcasting, Film, and Television.

Ai Zhisheng said: The combination of film work with television work will enable both sides to make use of each other's strong points to offset deficiencies so as to improve together. Ai Zhisheng said the decision on the merger of the film industry and television work was made according to the actual conditions of China's film and television industries, and the merger is also in line with the world's trend in this regard.

He said merging the film industry with the television industry is a general trend in the world. In the United States, the film industry and the television industry have changed from competitive rivals into collaborators, and this has enabled the film industry to recover from its recession. Some West European countries have also turned the two industries from rivals into partners, and some countries have set up government commissions for broadcast, film, and television.

When talking about the leading bodies of the Ministry of Culture and Film Bureau, Ai Zhisheng pointed out: Those rumors about personnel changes are completely groundless. The resolution of the NPC Standing Committee clearly said that "the film system will be wholly shifted from the jurisdiction of the Ministry of Culture to the jurisdiction of the Ministry of Broadcast and Television, and the Ministry of Broadcast and Television will be changed to the Ministry of Broadcast, Film, and Television." The two armies joined forces to form a new ministry. There is nothing about one side "annexing" the other side.

Ai Zhisheng said: Ding Jiao, former vice minister of culture who takes charge of film work, is now vice minister of broadcast, film, and television and is still in charge of film work. The director of the Film Bureau is still Shi Fangyu. There is not need to reappoint candres at the lower levels.

Ai Zhisheng said the process of combining film and television work is rather smooth. In January, Minister of Culture Zhu Muzhi briefed me about the situation in the film industry. In February, the film system was formally transferred from the Ministry of Culture to the Ministry of Broadcast and Television. A cadre meeting was held to announce the establishment of the new ministry and to mark the victorious joining of the two armies. At present, the process of combination has been basically completed.

Ai Zhisheng said that the merger does not mean to "restrict." The principle of "letting a hundred flowers bloom and a hundred schools of thought contend" will be carried out continuously in the future, and creative freedom in literature and art will be respected. However, writers' creative freedom cannot be separated from their social responsibility. If a person writes a diary, he has freedom to write whatever he likes to write, because he only writes for himself; but when a person is to publish his works, he must consider his responsibility to society. The greater the audience his works have, the greater responsibility he will bear.

Ai Zhisheng is 57 years old this year. He was born in Hanyang County, Hubei Province. He entered Quinghua University when he was 17. After graduation, he continued to work in the same university and spent 37 years there. Most of the time, he was engaged in CYL work and propaganda work in the school. He was transferred to the State Council in 1983 to be deputy secretary general. He was appointed to be minister of broadcast and television in June 1985.

COUNCILLOR SPEAKS ON INDUSTRIAL SAFETY MEASURES

OW241045 Beijing XINHUA Domestic Service in Chinese 1412 GMT 22 May 86

[By reporter Wu Jincai]

[Excerpts] Beijing, 22 May (XINHUA) -- According to some reports on various measures to strengthen safety in all localities, the situation in terms of industrial injuries, fire disasters, traffic accidents, and explosion incidents is still serious, while the incidence of occupational diseases has still not dropped. All this merits our attention.

As approved by the State Council, the State Commission for Industrial Safety recently organized 6 teams to undertake inspections in 18 provinces, municipalities, and autonomous regions. These teams reported to the State Commission for Industrial Safety on 22 May that enterprises in quite a few places have adopted measures for industrial safety. These teams have also discovered a number of units that are advanced in promoting industrial safety.

After hearing these reports Zhang Jingfu, director of the National Commission and a state councillor, spoke. He pointed out: These teams have played a good role in spurring industrial safety. It is necessary to establish a system of organizing teams for inspection from now on. We must approach the significance of industrial safety from the high plane of promoting socialist material and spiritual civilization and that of democracy and the legal system. Only in this way can the superiority of the socialist system be reflected. Whether a party cadre's party spirit and mass viewpoint are strong or not and whether he works responsibly or not should be judged by looking at how much attention he pays to industrial safety.

Zhang Jingfu calls on all localities to strengthen organization and leadership for industrial safety and disseminate advanced units' good experince. He also points out: It is necessary to use laws, systems, and education to help people strenghten their sense of industrial safety. All departments responsible for industrial safety must conscientiously fulfill their important duty of serving the people and establish a responsiblity system for industrial safety.

ADVANCED COMPUTER SYSTEM PASSES DEFENSE APPRAISAL

OW220737 Beijing Domestic Service in Mandarin 1000 GMT 21 May 86

[Text] China's largest advanced computer display and processing system, developed by the University of Defense Science and Technology, poassed technological appraisal at the command center of the National Defense Science, Technology and Industry Commission in Beijing on the morning of 21 May.

The system has advanced hardware and adquate software for use in many fields. It has such features as high resolution, wide spectrum and high graphic capability. It can transmit combat situation plots, pictures of a scene, and messages and ordes for a modern military command. It can also be used for control, management, and command in many civilian fields.

The system's development reflects an important breakthrough in China's computer display techniques. The scale of the project is second only to the 100-million-operations-per-second "galaxy" electronic computer.

FUJIAN SECRETARY MEETS HONG KONG, MACAO REPORTERS

OW241103 Fuzhou Fujian Provincial Service in Mandarin 1030 GMT 22 May 86

[Excerpts] This morning in the Xihu Guesthouse Chen Guangyi, secretary of the Fujian Provincial CPC Committee, met with reporters who had come from Hong Kong and Macao to our province to cover the fifth session of the sixth provincial People's Congress and the fifth session of the fifth provincial CPPCC Committee. Comrade Xiang Nan was present at the meeting.

First of all Comrade Chen Guangyi extended welcome to the friends from the Hong Kong and Macao journalistic circles, who had come to our province to cover the above-mentioned sessions, and thanked them for their previous activities to make others aware of the situation in Fujian. Then he dwelt on several things that concern Hong Kong and Macao.

Referring to the handover of the position to him from Comrade Xiang Nan, the former secretary of the provincial CPC Committee, Chen Guangyi said that it was carried out smoothly, satisfactorily, and normally.

Comrade Chen Guangyi said we have now unequivocally put forward this slogan: We must unite together, promote stability, and explore new ways to advance. In the first place, we must stress the need for unity. Unity means that we must unite with all people, including Overseas Chinese and our compatriots in Hong Kong, Macao, and Taiwan. Only thus can our work be successful. By promoting stability we mean that we must maintain the stability and continuity of our policies. We must have a stable cadre contingent and stable policies and see to it that our people are free from anxieties. With unity and stability, we then put emphasis on exploring new ways to advance.

Chen Guangyi said: At present we must make full use of the excellent situation of opening and reforming and concentrate our efforts in the next 2 or 3 years on solving the problem of poverty and making people better off in old revolutionary base areas, minority-inhabited areas, frontier areas, poverty-stricken areas, and offshore islands. We must speed up the development of the interior of our province and make further efforts to open the coastal areas, and even all of the province, to the outside world.

Chen Guangyi stressed that Fujian must continue to implement the policy of opening to the outside world and enlivening the domestic economy and strengthen its lateral cooperation with our country's hinterland so that both will be able to make good use of their favorable conditions and learn from each other's strong points to offset their shortcomings.

Secretary Chen Guangyi and Comrade Xiang Nan also answered questions asked by the reporters.

FUJIAN: HU PING EMPHASIZES IMPLEMENTING COMPULSORY EDUCATION

OW271416 Fuzhou FUJIAN RIBAO in Chinese 18 May 86 p 1

[Text] Yesterday afternoon, Governor Hu Ping invited deputies of the provincial People's Congress and members of the provincial CPPCC from educational circles to a discussion meeting to hear their opinions on popularization of compulsory education.

Govenor Hu Ping spoke at the discussion meeting. He said: "The Compulsory Education Law of the People's Republic of China" has been passed and proclaimed at the Fourth Session of the Sixth National Peoples Congress. This is a major event in the history of China's education. Since 12 provincial People's Congress deputies and 4 provincial CPPCC members attending today's meeting are from the first line of educational front of either kindergarten, primary, or secondary school teachers, we invite you to offer your suggestions on implementation of compulsory education law. The meeting is also to show our concern for hardworking people's teachers and our determination to implement this law.

Governor Hu Ping inquired in detail about the popularization and problems of 9-year compulsory education in the province. Provincial People's Congress deputies and provincial CPPCC members offered many opinions and suggestions at the meeting. Govenor Hu Ping said: Not only educational departments, but also the whole society should be concerned with and give support to the implementation of the compulsory education law. Leaders in the party, government at all levels, and educational departments should seriously study and greatly promote the implementation of the compulsory education law. We should exert more efforts to solve the teacher quality problem; educational surtax should be collected in full. All localities should try their best to allocate funds for education.

Attending the discussion meeting were Zhang Yumin and He Shaochuan, Standing Committee members of the provincial CPC Committee; Zhang Gexin, vice chairman of the provincial Advisory Committee; Zeng Ming, vice chairman of the Standing Committee of the provincial People's Congress; and Vice Governor Chen Mingyi.

Those who spoke at the discussion meeting were Liaw Shuzhan of Liyang Primary School, Zhenghe County; Xu Ruishuang of Honglai Central Primary School, Nanan County; Xie Shaomei of Chengguan Middle School, Shaoan County; Chen Aili of No 2 Middle School, Dongshan County; Zhang Shuzhuang of Fuzhou Experimental Primary School; Weng Mujin of Fuzhou Kindergarten; Su Zhonggin of Anxi No 1 Middle School; and Zhang Shimian of Tuorong No 1 Middle School.

JIANGSU'S YIZHEN COUNTY BECOMES YIZHEN CITY

OW271226 Nanjing Jiangsu Provincial Services in Mandarin 2200 GMT 26 May 86

[Text] The State Council has approved and agreed to the abolishment of Yizhen County and the establishment of Yizhan City, a county-level city. The administrative area of Yizhen County will be the administrative area of Yizhen City.

SHANDONG: LIANG BUTING SPEAKS ON ARMED FORCES TRANSFER

SK240912 Jinan Shandong Provincial Service in Mandarin 2200 GMT 23 May 86

[Text] The work of transferring the People's Armed Forces departments at the county level to local governments is now in full swing in our province. The meeting regarding transferring the People's Armed Forces departments at the county level to local government, sponsored by the provincial CPC Committee, the provincial People's Government, and the provincial military district, concluded in Jinan City on 23 May.

The meeting announced the plan for the transfer work. At the meeting, Liang Buting, secretary of the provincial CPC Committee, on behalf of the committee, delivered a speech, in which he stated: Transferring the People's Armed Forces departments to local governments represents a correct policy decision made by the CPC Central

Committee, the State Council, and the Military Commission under the CPC Central Committee, proceeding from the overall situation of conducting economic construction and building the PLA units. This also represents an important reform in the work system of the People's Armed Forces. He urged all party members and cadres to be broad-minded and highly conscious, to pay attention to the interest of the whole and the revolutionary interest in taking into consideration the work of transferring the People's Armed Forces departments to local governments, and to consciously be subordinate to the necessity of conducting economic construction and building [word indistinct] throughout the country. In conducting the transfer work, the local party committees and governments at all levels and the military organs throughout the province should safeguard the principle of unity and strictly abide by discipline. He urged the military departments to attach importance, as they did before, to the building of the People's Armed Forces departments and to continuously push forward the militia work of rendering reserve services in the province.

At the meeting, Li Jiulong, commander of the Jinan Military Region, delivered a speech, in which he urged the participants to do a good job in studying the documents issued by the central authorities and to further upgrade their understanding and ideological standard in order to offer ways and means to effect the transfer work. Efforts should be made to foster the viewpoint of conducting militia work by integrating the work with economic construction and to do a good job in grasping militia and economic work simultaneously. He urged the participants to unite as one and to do a good job in the transfer work. He urged the cadres in charge of the People's Armed Forces to discern the new situation as soon as possible and to make a new step in the work.

At the meeting, Liu Yide, commander of the provincial military district, also delivered a speech, in which he praised the People's Armed Forces departments throughout the province which had scored most marked achievements in building national defense and the local economy. He extended thanks to the local governments for their support for the transfer work. He urged the People's Armed Forces departments to earnestly do a good job in grasping ideological and educational work and to adequately fulfill the transfer task in a down-to-earth manner.

Also attending the meeting were Gao Wansheng, Standing Committee member of the provincial CPC Committee and political commissar of the provincial military district; Ma Lianli, leader of the leading group in charge of the transfer work and vice governor of the province; and leading comrades from the party, government, and army organs at city and prefectural levels, totaling more than 160 persons.

SHANGHAI'S RUI XINGUEN STRESSES IMPORTANCE OF REFORM

OW250941 Shanghai City Service in Mandarin 1000 GMT 24 May 86

[Text] Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, delivered a report on the current situation in reform before 1,500 party and administrative cadres of the educational and the public health departments in the Shanghai Medical University auditorium on 24 May. In his report, Comrade Rui Xingwen pointed out: Reform is a profound revolution. It will inevitably involve political, economic, cultural, and other fields, particularly changes in people's thinking and notions. He said: Shanghai's tasks during the Seventh 5-Year Plan are arduous. Fundamentally speaking, accomplishment of the tasks will rely on reforms and opening to the outside world.

SHANGHAI: RUI XINGWEN MEETS POLICY INVESTIGATION GROUP

OW191404 Shanghai City Service in Mandarin 000 GMT 19 May 86

[Text] The Shanghai subgroup of the policy implementation investigation group under the CPPCC National Committee and the CPC Central Committee's United Front Work Department with Pen Youjin, member of the Standing Committee of the CPPCC National Committee, as the subgroup head and led by Yang Chengwu, vice chairman of the CPPCC National Committee, arrived in Shanghai on 13 May. The subgroup's main task is to review how well members of the CPPCC National Committee in Shanghai and the Shanghai Municipal CPPCC Committee have implemented policy.

Over the past few days, the subgroup has separately heard a report on departments concerned regarding the implementation of policy in Shanghai and a report on members of the CPPCC National Committee in Shanghai and the municipal CPPCC Committee regarding the implementation of policy. The subgroup has also invited members of the CPPCC National Committee in Shanghai who are non-party personages to attend discussions and solicited their ideas and suggestions on policy implementation.

On 17 May, Rui Xingwen, Wu Bangguo, Zeng Qinghong, Ni Tianzeng and other leaders of the Shanghai municipal party committee and government called on Vice Chairman Yang Chengwu and all comrades of the subgroup and initially exchanged ideas with them on policy implementation in Shanghai. Currently, investigation work is being gradually deepened.

SHANGHAI'S RUI XINGWEN GREETS ECONOMIC SOCIETY

OW250935 Shanghai City Service in Mandarin 0000 GMT 25 May 86

[Excerpts] The inaugural ceremony for the China Society on Urban Economy was held in Shanghai on 24 May. Wang Daohan, director of the leading group of the full session of the society and adviser to the municipal government, was the first to give a speech. A letter of greeting from Wang Renzhong, vice chairman of the NPC Standing Committee, was read at the meeting.

On behalf of the municipal CPC Committee and government, Comrade Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, extended sincere congratulations to the meeting. He said: The Central Secretariat has approved Shanghai's comprehensive urban development plan. Shanghai should better serve economic construction of the whole nation. It should be built into the largest economic and trade center in the western Pacific.

Rui Xingwen also said: Shanghai belongs to the whole nation. It cannot develop without the support of fraternal provinces and municipalities. We hope that all fraternal provinces and municipalities will offer suggestions on Shanghai's development. We wish to promote cooperation and exchanges with all fraternal cities, and make common progress through establishing lateral economic ties.

More than 300 people attended the meeting, including responsible comrades of the central departments concerned; mayors and vice mayors of large and medium-sized cities of 28 provinces, municipalities, and autonomous regions; leaders in the work of urban construction; as well as experts, professors, and scholars in this field. Zeng Qinghong, member of the Standing Committee of the Shanghai Municipal CPC Committee; Xie Lijuan, vice mayor; and Xu Yifang, vice chairman of the municipal CPPCC Committee, were present at the meeting.

GUANGXI: WEI CHUNSHU SPEAKS ON CORRECTING PARTY STYLE

HK161059 Nanning Guangxi Regional Service in Mandarin 1000 GMT 15 May 86

[Excerpts] This morning, the regional CPC Committee and people's government held a meeting of leading cadres of regional departments, commissions, offices, and bureaus, at which it urged provincial organs to set an example in correcting party style and implementing the Seventh 5-Year Plan. Wei Chunshu, deputy secretary of the regional CPC Committee and chairman of the regional people's government, delivered a speech at the meeting. Comrade Wei Chunshu's speech dealt with two problems: First, grasping the work of correcting party style; and second, grasping the work of implementing the Seventh 5-Year Plan.

In his speech, Comrade Wei Chunshu first relayed the spirit of a speech delivered by Comrade Hu Yaobang at a forum of central organs on correcting party style. He demanded that leading cadres of regional organs, in strict accordance with the arrangements made by the central authorities, resolutely, continuously, and seriously grasp improvement of party style so as to bring about a basic turn for the better in party style as soon as possible.

Comrade Wei Chunshu mainly spoke on how to implement the Seventh 5-Year Plan. He said: To fulfill all tasks set in the Seventh 5-Year Plan, we must resolutely and steadily take the first step and strive to make progress in all work in the region in the first 3 years, especially this year, to make a good start in implementing the Seventh 5-Year Plan. In this connection, an important problem is that we must further arouse the revolutionary spirit of party members, cadres, and the people throughout the region. First of all, leading comrades of all regional organs must set an example for the whole region with their vigorous revolutionary spirit, their strong sense of responsibility, and their good work style.

Wei Chunshu then spoke of two problems: first, unifying people's ideological understanding; and second, several main tasks which must be grasped seriously in implementing the Seventh 5-Year Plan at present.

On unifying people's ideological understanding, Comrade Wei Chunshu said that according to the real situation in the region, we must further unify our understanding of several problems: 1) We must firmly establish the idea that economic construction is our central task. 2) We must have a strong sense of responsibility and urgency. 3) We must have a dauntless fighting spirit.

Comrade Wei Chunshu then spoke of several major tasks which must be firmly grasped in implementing the Seventh 5-Year Plan at present:

1. We must put reform in first place. Comrade Wei Chunshu said that the speed of development of the region's economy depends to a large extent on the success or failure of reforms. There are historical reasons for Guangxi's backward economy, but we have no reason to overemphasize objective difficulties in carrying out reforms. On the contrary, we must do our utmost to carry out reforms faster and better and to seek rapid development in the course of reforms.

2. We must earnestly carry out sectoral planning and implement the target responsibility system. Comrade Wei Chunshu said that we must first grasp some projects and items which need less investment and can yield faster and better results. The stress should be laid on vigorously developing and processing subtropical crops and vigorously developing township enterprises.

3. We must pay attention to exploiting and bringing in talented people. Comrade Wei Chunshu said that to invigorate the region's economy, the key lies in talented people. To solve the problem of shortage of talented people in the region, it is essential to attach importance to training and educating talented people.

4. We must further improve our work style, and establish and perfect the past responsibility system. Comrade Wei Chunshu said that regional leaders must set a good example in improving work style and raising efficiency.

In conclusion, Comrade Wei Chunshu stressed the importance of strengthening the building of grass-roots units.

Today's meeting was presided over by Comrade Jin Baosheng, deputy secretary of the regional CPC Committee. Gan Ku, chairman of the regional People's Congress Standing Committee, attended the meeting.

HENAN RIBAO COMMENTATOR'S ARTICLE ON INDUSTRIAL PRODUCTION

HK271550 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 26 May 86

["Excerpts" of 27 May HENAN RIBAO commentator's article: "Utter Less Empty Talk, Do More Practical Work, and Boost Industrial Production as Quickly as Possible"]

[Text] Our province did not ideally complete its industrial production tasks in the first 4 months of this year. Although there were objective reasons, such as shortage of electric supply, floating capital, and raw materials, overstocking of some products, and so on, the most important and crucial thing was insufficient subjective capacity.

Now, some of our leading comrades are only content with holding rallies, issuing calls, and putting forward demands and do not work hard. They have seldom done hard and meticulous work. Although many meetings have been held, problems are not solved. The main reason is that nobody has carried out work in a down-to-earth manner. This work style of uttering empty talk without stressing practical results must be corrected; otherwise, production cannot be boosted.

Regarding the current problems of industrial production, leaders at all levels must not be panic-stricken, impose quotas for production on every level, and do a rush job of production. They must also not lower their guard. They must seriously analyze the situation and, in the light of the new situation and new problems emerging in the course of production, promptly take countermeasures. Leaders of industrial departments at all levels must firmly establish the idea of serving the grass roots and resolutely implement the policies and measures already formulated. Leading cadres must take the lead in going deep into realities and the production forefront to help lower levels solve practical problems and to help enterprises eliminate worries and resolve difficulties. It is necessary to implement the system of leaders assuming responsibility at all levels. They must be responsible for their work and improve the quality and efficiency of work.

While carrying out our work, we must stress the focal point. All prefectures, cities, and industrial departments must study and determine their own key trades, key enterprises, and key products and organize forces to help with the solution of practical difficulties. All trades must assign quotas for the production of marketable products to their lower levels, organize production, and give priority to the supply of electricity and material resources.

The current overstocking of some products is due to changes in the market and to unsalableness but the main reason is the problem of the quality of products. We must work hard in improving management and the quality of products, economizing on electricity, and reducing consumption of materials and costs of production. We must rely on tapping internal potential to raise economic results. In short, so long as we arouse our enthusiasm, improve our work style, practically and realistically analyze the reason, actively seek countermeasures, and solve all specific problems in a down-to-earth manner, our province's industrial production will surely be raised to a new level.

HENAN BEARINGS COMPANY 'AMALGAMATED' ONLY IN NAME

HK240748 Beijing RENMIN RIBAO in Chinese 17 May 86 p 2

[Newsletter by reporter Dong Huanliang: "Why Has This Company Been 'Amalgamated' for a Long Time But Not Functioned as Such? -- on an Investigation of the Luoyang Bearing Industrial Amalgamated Company"]

[Excerpts] The Luoyang Bearings Industrial Amalgamated Company in Henan Province was established in 1980 with the approval of the former No 1 Ministry of Machine Building and the provincial government. The company comprises not only the Luoyang bearings plant, one of China's major large bearings enterprises, but also 23 local bearings plants in the province. Throughout the past 5 years, all enterprises under the company have not been able to organize professional cooperation among themselves and establish internal economic ties. In fact, they have been "amalgamated" only in name and "kneaded together" in reality. That is why they cannot become a real economic entity. How to turn such companies "amalgamated reluctantly" by administrative means into economic entities full of vitality is a glaring problem calling for a solution at the present time when we are promoting lateral economic cooperation. The crux of the problem that all enterprises under the Luoyang bearings company have been "amalgamated" but not functioned as such lies in the system of separating departmental from regional management.

Looking back on the history of the Luoyang bearings company, comrades of the company have come to realize that to develop lateral economic cooperation, it is absolutely necessary to shatter the system of separating departmental from regional management and counteract ill-judged administrative interference, and it is imperative to reorganize the company into an enterprise group with internal economic ties in accordance with the principle of "voluntariness, equality, and mutual benefit."

HUBEI: NORMAL, UNHEALTHY TENDENCIES OF ENTERPRISES NOTED

HK280341 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 25 May 86

[Excerpts] On 22 May, the provincial group for guiding party rectification approved suggestions submitted by the party rectification office of the provincial CPC Committee on making clear distinctions in terms of policy between the normal operation of township enterprises and unhealthy tendencies.

The suggestions pointed out: The development of township enterprises has great strategic importance in terms of improving the rural industrial structure, arranging the surplus manpower in rural areas, developing commodity production, accumulating construction funds of villages, and invigorating the province's economy. During the rural party rectification, we should carefully analyze the problems developed in the course of developing township enterprises. We must make clear distinctions between the normal operation of township enterprises and unhealthy tendencies. We should resolutely correct the unhealthy tendencies while upholding the practice of reforms, opening up and invigoration. We must not take a relaxed attitude at one time and tighten the measures at another.

There are eight points in the party rectification office's suggestions on making clear distinctions in terms of policy between the normal operation of township enterprises and unhealthy tendencies.

First, we must make clear distinctions between mistakes made when carrying out the work of reforms and practices of abusing power and dereliction of duty.

Second, we must make clear distinctions between unreasonable terms in contracts because of being inexperienced and practices of abusing power to monopolize pricing and to demand a lower price for contracts. In case there are certain unreasonable terms in contracts because of being inexperienced, we should generally affirm their validity provided that the procedures are complete and the terms do not violate any policy or regulation. But in case there are particular contracted quotas that are very unreasonable and the workers complained of them, we should, on the basis of doing well in work, make the necessary readjustment. Also, we should resolutely correct the practice in which some cadres abuse power to monopolize pricing and to demand a lower price for contracts.

Third, we must make clear distinctions between distribution according to work, giving more to those who work harder, and the practice of distribution according to false figures, arbitrarily giving money and payment in kind.

Fourth, we must make clear distinctions between the practice of purchasing and exchanging the necessary raw materials among units and the speculation of goods and materials that are in short supply.

Fifth, we must make clear distinctions between necessary entertainment during business contacts and the practice of corruption, giving gifts and entertaining guests at public expense.

Sixth, we must make clear distinctions between the practice of sending party and government cadres to enterprises, to work as well at enterprises recruiting staff according to the authorized size, and the practice of party and government cadres working at enterprises for their own gain.

Seventh, we must make clear distinctions between the practice of finding jobs in enterprises for spouses and children of cadres by going through the formal procedures and those of cadres who abuse power and place their children and relatives in certain positions in enterprises.

Eighth, we must make clear distinctions between the practice of factory directors and managers who, within their functions and powers, recruit competent technicians and workers, as well as promote the responsible cadres and those who recruit staff indiscriminately by abusing power.

BEIJING: LI XIMING ATTENDS LEGAL SYSTEM PROPAGANDA MEETING

SK250235 Beijing BEIJING RIBAO in Chinese 13 May 86 p 1

[Text] From 11 to 12 May, more than 100,000 people from all walks of life in the capital enthusiastically attended the Beijing municipal legal system propaganda activities sponsored by the municipal Working People's Cultural Palace.

Li Ximing, secretary of the municipal CPC Committee, Cai Cheng, vice minister of justice, Xu Weicheng, deputy secretary of the Beijing Municipal CPC Committee; Li Guang, Wang Guang, and Wang Lixing, Standing Committee members of the municipal CPC Committee; Feng Mingwei, vice mayor; Ma Yaoji and Zhang Dazhong, vice chairmen of the municipal People's Congress Standing Committtee; and Gan Ying, vice chairman of the municipal CPPCC Committee, as well as other leading comrades and the masses from various circles, attended the rich and colorful activies. According to incomplete statistics, during these activities, a total of 150,000 copies of legal propaganda materials were distributed, more than 400 legal system propaganda pictures with graphs and explanations were displayed, and 19 consulting service centers on compulsory education law, economic law concerning foreign nationals, civil law, criminal law, marriage law, and economic law wer set up. The food hygiene law and pharmaceuticals management law consulting service centers also displayed some 200 samples showing genuine and fake foodstuffs and medicine.

During the activities, the various sorts of vivid legal system propaganda items were well-received by the masses. The municipal lantern riddles association prepared some 400 riddles with legal knowlege content for the occasion which attracted a continuous stream of visitors. The municipal State Security Bureau played videotapes on how to guard against enemy agents and spies and how to safeguard state security, sponsored lecture meetings on how to study and apply the law, legal knowledge book sales, and simulated court trials, as well as a special performance entitled "The Reviviscent Hearts," presented by the Tiantanghe farm reformatory. The performances presented by the literary and troupe of the municipal Armed Police Forces attracted many visitors. All of the 300 seats in the simulated court trials were occupied and three more shows were added on the first day at the request of the viewers.

BEIJING CRACKS DOWN ON PROFITEERINGSOFT DRINK VENDORS

HK260736 Beijing CHINA DAILY in English 26 May 86 p 3

[By CHINA DAILY staff reporter]

[Text] Seven unlicensed private soft drinks traders have been arrested for charging exorbitant prices and beating up customers who refused to pay them in a municipal campaign to crack down on widespread profiteering and hooliganism at free markets and stalls. The arrest were announced on Sunday by Haidian district police sub-bureau at a rally organized by the district's People's Government as a warning to private traders seeking profits at consumer's expense. The seven traders were charged with physical assault in three separate incidents in April and May, when they attacked five people who had protested against their price rises at the Military Museum of the Chinese People's Revolution in western Beijing.

On May 11, one trader stabbed a customer in the stomach with a kitchen knife when he and two other traders got into a quarrel with the customer, who bought two bottles of soda water but refused to pay the 1.5 yuan asking price -- 10 times higher than officially-fixed price for each bottle. In another incident on May 13, another trader and his assistant beat up a salesman at a nearby state-run cold drinks bar for selling soft drinks at the state-fixed price of 15 fen per bottle because this was undermining their own trade.

In a speech at Sunday's rally, Vice-Mayor Feng Mingwei said public security bureaux must join with state industrial and commercial administration departments to deal "relentless blows" at profiteering traders and tackle their cases promptly so to smash "this evil trend" at free markets. He said a city-wide investigations would begin on Monday to get rid of illegal traders by imposing heavy fines or confiscating their business facilities. Except for those who sell vegetables, the vice-mayor said, all traders must register with the municipal authorities or they will be banned as illegal under the city's market regulations. All traders, including vegetable sellers and state-run stalls and vans, must also operate their businesses at designated places and display their business license certificates, signboards and price tags.

Reckless profiteering has become a serious problem in some parts of the city, impairing the image of Beijing as the capital of China and arousing great public indignation among residents, Feng said. The police station at Xijiao market alone handled more than 170 cases between February and mid-May of private vendors beating up customers and even state market inspectors.

Most of the private traders involved in the disputes were said to be unlicensed ones who usually had no other jobs or were migrants from other Beijing without permanent residence permits. An estimated 50 per cent of traders at Beijing Zoo are believed to be unlicensed and at the Military Museum of the Chinese People's Revolution the figure could be as high as 90 per cent, according to the Capital Information Bulletin.

CHINA COMMERCE JOURNAL reported that these profitterring traders have become so arrogant that they even dared to beat up newspaper reporters. On May 19, the paper said, one of its reporters was beaten black and blue near Beijing Children's Hospitasl in east Beijing when he tried to protect a woman customer who was being order by two private traders to pay 80 fen for a soft drink officially prices at only 15 fen.

NORNSU URGES IMPROVED BACKWARD COUNTIES FAMILY PLANNING

HK280217 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 27 May 86

[Excerpts] The Gansu provincial grass-roots family planning conference which concluded on 27 May proposed that this year the province should focus on improving the performance of backward counties, organizing pilot projects, and promoting the good upbringing of children. Last year ther were 9 counties in the province where the percentage of births not covered by the plans exceeded 35. Backward counties cover a rather large area. The provincial authorities are preparing to improve work in the backward counties by organizing them to sign contracts and to learn from the experiences of advanced counties. The conference held that the departments concerned should vigorously publicize the disadvantages of early and arranged marriages so as to reduce the number of such marriages.

Gansu Radio Commentary

HK271440 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 24 May 86

[Station commentary: "It Is Necessary Unremittingly To Do Well in Grasping Family Planning Work"]

[Text] The meeting of representatives of advanced collectives and advanced individuals in family planning has successfully concluded. After returning to their places, through publicizing and implementing the spirit of this meeting, the representatives will surely push forward the deepgoing development of family planning work of our province.

During the Seventh 5-Year Plan period, 1.39 million women will enter the marriage and child-bearing age and a new peak of population births will emerge. The task of controlling population growth is very ardous. However, the experience of all places in doing family planning work tells us that so long as the leaders attach importance to this work, family planning work can surely be done well.

Therefore, we hope that all places will seriously sum up the experiences in this aspect, include family planning work in the building of socialist spiritual civilization, vigouously study countermeasures, formulate effective measures, and grasp this work in a down-to-earth manner and to the end. We must do family planning work still more effectively during the Seventh 5-Year Plan period.

YIN DESHENG ATTENDS QINGHAI LEADING CADRES MEETING

HK200238 Xining Qinghai Provincial Service in Mandarin 2230 GMT 17 May 86

[Text] Yesterday afternoon [17 May], the provincial CPC Committee and provincial People's Government held a meeting of leading cadres at and above the departmental level of the provincial subordinate organs in Xining. Provincial CPC Committee Secretary Yin Kesheng spoke on the problems of how to organize economic work throughout the province, how to do a good job in grasping ideological education, how to arouse enthusiasm, and so on. Vice Governor Bian Yaowu presided over the meeting.

Vice Governor Wu Chengzhi first reported the situation in industrial production and communications in the first 4 months of this year. He said: From January to April this year, as leaders at all levels and workers worked hard, our province did well in industrial production and communications and shortened the difference between the level of industrial production and communications of our province and the national average level.

However, judging from the overall situation, the fulfillment of the quota for the output value was not ideal. The quality of products of a fairly large number of enterprises was poor, the amount of their consumption went up, and their economic results were bad. In light of this situation, all industrial and communications enterprises throughout the province must clearly understand the situation and take effective measures to promote production in the second and third quarters.

In his speech, provincial CPC Committee Secretary Yin Kesheng emphasized four views on our province's current economic work:

1. It is necessary to take a correct view and to handle well the relationship between speed and economic results. Only by maintaining a certain rate of increase can we achieve relatively good economic results. While laying stress on economic results, we must improve the quality of products and reduce the amount of materials consumed.

2. It is essential to make full use of the economic lever's readjustment role, to work hard to overcome and correct the past defect of excessively rigid control, and to ensure as far as possible that we act in accordance with objective economic laws. We must fully utilize the economic measures of prices, taxation, interest, and wages to readjust the irrational factors in the production relations to promote the development of productive forces.

3. It is imperative to adhere to the concept that to exercise leadership is to provide service. The provincial government has organized departments to work on the spot. They have helped lower levels solve many problems. We must persist in the work style that leaders go to the grass roots, work on the spot and provide service to the homes of those who need it.

4. In economic work and in fulfilling the major economic quotas, we must implement the system of individual leaders assuming responsibility. All units must fulfill their quotas and individuals must bear responsibility.

At the meeting, Comrade Yin Kesheng also talked about the problems of how to do a good job in grasping ideological education and how to arouse enthusiasm. He said: While doing well in grasping economic construction, we must concentrate our forces to do well in grasping the building of socialist spiritual civilization. We must further conduct education in party spirit, party style, and party discipline among the party members; extensively conduct education in the legal system among all the citizens; conduct education in ideals and morality among the young people and juveniles; and conduct education in professional ethics and new knowledge and technology among the services trade.

Comrade Yin Kesheng said: Comrades at the grass roots and the masses now fear that the leading comrades of some of our departments only indulge in idle talk and do not solve practical problems in a down-to-earth manner. They fear that our leading comrades stay at the upper level and talk like bureaucrats. Therefore, doing practical work and laying stress on practical results must be a guiding principle for our leading organs and leading cadres. It must be pointed out that to exercise leadership is to provide service. We must advocate and persist in working on the spot and conducting investigation and study.

Leading comrades of the provincial party, government, and Army, including Liu Feng, Huanjiecailang, Lu Baoyun , Ma Wanli, Song Lin, Gabulong, Han Fucai, and (Qui Shuxian), attended the meeting.

QINCHAI COMMENTARY EMPHASIZES GRAIN PROCUREMENT

HK211112 Xining Qinghai Provincial Service in Mandarin 2230 GMT 20 May 86

[Station "short" commentary: "It Is Necessary to Seriously Do a Good Job in Carrying Out the Grain Procurement Plan"]

[Text] The work of ordering grain by contract in 1986 has been started in our province. This is the second year that our province has ordered grain by contract. Last year, due to lack of experience in this work and to other reasons, the fulfillment of the quota for grain procurement was affected.

This year, in accordance with the spirit of the central authorities' Document No 1, we must further consolidate and perfect the work of ordering grain by contract. The orientation of reform must by no means be shaken because of the fluctuation of grain production.

State monopoly for purchase of grain has been abolished and the work of ordering by contract has been carried out. This is an important reform of the system of grain procurement. Facts have proved that it is a good way of guiding production and integrating production with marketing. This year, the state has suitably reduced the amount of grain orderd by contract and increased the amount of grain procured at negotiated prices in the market. The state has also given preferential treatment in materials for agricultural use and in loans to the peasant households which conclude contracts. This is an important measure to continuously perfect the work of ordering by contract, to promote grain production, to encourage peasants to sell grain, and increase income. It will play an active part in promoting the fulfillment of this year's quota for grain procurement.

An important rural task now is to carry out ordering by contract in peasant households. Governments at all levels must first do propaganda work well. They must clearly explain to the peasants that the amount of grain procured at negotiated prices is being increased because the state wants to increase grain peasants' income and not because the state has too much grain and want to procure less.

To carry out the task of ordering by contract in peasant households, it is essential to proceed from realities. We must not go in for rigid apportionment and equal allocation. We must also do penetrating and meticulous political and ideological work, advocating that, when we get rich, we do not forget our country; and that we support the socalist four modernizations.

Leaders at all levels must gear their work to the needs of production and in conjunction with the work of ordering grain by contract, do all aspects of service work well. They must further arouse the peasants' enthusiasm for production and selling grain to guarantee the smooth progress of grain production and of ordering by contract in our province this year.

MAYOR ADDRESSES RALLY ON SERIOUS CRIME

HK250655 Xining Qinghai Provincial Service in Mandarin 2230 GMT 24 May 86

[Excerpts] The Xining City Public Security Bureau, Procuratorate, and Court held a sentencing rally in the railway station square on the morning of 24 May.

Xining Mayor Luo Kunan spoke at the rally. He said: Since launching the crackdown on serious crime in August 1983, there has been a marked improvement in public order in the Xining area. However, there are still fluctuations within this improvement. Serious cases are still occuring. Juvenile delinquenc is rather grave. This shows that cracking down on serious crime is a long-term, arduous, and complex task. It is an extremely urgent task facing us. We must unswervingly go on waging this struggle and strive for a fundamental turn for the better in social order.

Twenty-five criminals were arrested at the rally. Twelve were sentenced to terms of imprisonment. Three, including (Fang Guoming), were sentenced to death. Datong County also sentenced six criminals on the same day. Three of them were sentenced to death.

SHAANXI: XUE MUQIAO DISCUSSES ECONOMIC DEVELOPMENT IN XIAN

HK210147 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 20 May 86

[Text] Xue Muqiao, honorary chief executive of the State Council's Economic, Technological, and Social Development Research Center and a well-known economist, was invited by the provincial government to make a report in Xian on 20 May on the situation in China's economic development and on reform issues. Some 700 persons listened to the report, including cadres and science teachers of the provincial CPC Committee and government and their various organs, scientific research units, and institutes of higher education.

In his report, Xue Muqiao made an incisive analysis and summation of China's economic development since the 3d Plenary Session of the 11th CPC Central Committee, and especially during the Sixth 5-Year Plan. He gave theoretical and practical answers to questions on macroeconomic control, growth rates, and the market, and also put forward a number of policymaking views on China's current and future economic work. This report will be published in China's Economic Yearbook, which comes off the press in October.

The veteran Xue came to Xian more than 20 years ago. He has been very concerned about Shaanxi's economic development. Before delivering his report yesterday, he first gave valuable views on economic work in the province. He said: Xian's economy has undergone great development in recent years. A great deal of advanced scientific and technological equipment was transferred from all parts of the country to Shaanxi in the late 1960's and early 1970's. It is strong in science and technology.

Shaanxi has great potentials for economic development. It has abundant resources. In particular, the Guanzhong area is a very prosperous region. In the future, the province should use the strength accumulated in construction during the Sixth 5-Year Plan to develop local industry, especially medium and small enterprises. The province must take full advantage of its abundant resources to develop township enterprises. It should also develop township enterprises. It should also develop commerce and transport undertakings.

Shaanxi must increase lateral economic ties. It should strengthen economic ties and cooperation with the southeastern coastal areas and import their capital, technology, and management methods to develop local industry. The province must use its scientific and technological strength to support the rapid development of local industry and township enterprises.

XINJIANG: SONG HANLIANG ATTENDS SCIENTIFIC FORUM

HK271458 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 24 May 86

[Text] On 21 May, the Academy of Sciences of Ching held a meeting to report on the fruits of scientific research in the development of Xinjiang. The meeting put forward: Within this century, in the development and building of Xinjiang, while ensuring the steady increase in petroleum, we must apply the development strategy of the national economy with agriculture, animal husbandry, and light and textile industries as the focal point.

Beginning in 1983, the Academy of Sciences of China has conducted scientific research in various items and made preliminary preparations for the development of Xinjiang. At this report meeting, experts reported on a large number of firsthand investigation material and data. This fully shows the rich fruits of the Academy of Sciences of China in the preliminary preparations for the development of Xinjiang in recent years.

When (Xu Yulin), vice chairman of the Committee for Comprehensive Survey of the Academy of Sciences of China and head of the team for comprehensive survey of the development of Xinjiang resources, reported on the suggestions on the development of Xinjiang resources and arrangements for production with stress laid on north Xinjiang, he put forward 12 suggestions on the development of industry, agriculture, energy resources, communications, and so on. He provided a scientific basis for the state and region to formulate a plan for developing Xinjiang.

(Mao Baolin), associate research fellow of the Lanzhou Institute ofGeology; (Yuan Fangche), associate research fellow of the Xinjiang Institute of Geography; Shi Yafeng, research fellow of the Lanzhou Institute of Glaciology; and (Wei Yougen), director of the Planning Department of the Xinjiang Branch Academy, successively made reports on research in the formation and evolution of Junggar Pendi and in the formation of oil and gas, in the development of the water resources of Xinjiang, and in the scientific research in the development of Xinjiang that has been conducted by the Xinjiang branch academy of the Academy of Sciences of China over the past 3 years.

Sun Honglie, vice president of the Academy of Sciences of China, made a special trip to Xinjiang to attend the report meeting and spoke. Wang Enmao, vice chairman of the CPPCC National Committee and chairman of the regional Advisory Commission, and Song Hanliang, secretary of the regional CPC Committee, spoke at the report meeting. On behalf of the regional CPC Committee, People's Government, and the people of all nationalities throughout the region, they expressed heartfelt thanks to the comrades who have engaged in scientific research in the development and building of Xinjiang. They said: Beginning in the 1950's, the Academy of Sciences of China has always regarded Xinjiang as the most important working region. Particularly since 1983, the large number of forces mobilized by the Academy of Sciences of China to conduct research in the development of Xinjiang and the vast field of research in the developmenmt have been second to none in the whole country. The fruits achieved are very rich and valuable. The academy has contributed toward the development and building of this valuable piece of land in the northwest of our motherland.

Those who listened to the reports at the report meeting were leaders of the regional party and government, including Janabil, Zhang Sixue, Amudong Niyazi, (Teyoumu Bamudong), Liang Guoqing, (Huang Dazhen), Tuohuti Shabier, and Mao Dehua.

ARGENTINE GUNBOAT FIRES ON TAIWAN FISHING VESSEL

OW291128 Taipei CNA in English 1108 GMT 29 May 86

[Text] Buenos Aires, May 28 (CNA) -- A fishing boat from the Republic of China on Taiwan was sunk by an Argentine gunboat Wednesday morning on waters around Malvinas (Falkland) Islands.

The Argentine sources said that the ill-fated fishing boat with 24 crew members on board was Hsien Teh 111. Twenty-two crew members were rescued by Argentine gunboat but among the rescued crewmembers, three were serious injured. A crew member was dead and one was listed as missing, according to the same sources.

Argentine Navy did not confirm the report but local news agency quoted informed sources as reporting that the incident occurred on 365 kilometer out of Argentine continental or 240 miles northwest of Malvinas Islands. The source said that the Argentine Coast Guard gunboat fired on a group of Chinese fishing boats from Taiwan operating out of exclusive zone set by the British Government and near the 200 miles waters zone set by the Argentine Government.

The Argentine naval coast gunboat opened fire on Chinese fishing boats. Hsien Teh 111 was hit by gunfire and sank slowly. The second Chinese fishing boat Chi Fu VI was also hit by gunfire on radio tower and now sailing slowly toward Malvinas Islands. The third one -- Yu Lien Fa -- escaped from the gunfire.

According to local news agency, the 22 rescued crew members of Hsien Teh 111 were on board of Argentine coast gunboat "Azopardo" now sailing toward Argentine continent.

Lei Tsu-kang, representative of Chinese fishing fleet operating in Malvinas zone said that Argentine gunboat captain gave a 10-minute permission to let Chinese fishing boats leave the zone but [illegible]idenly the Argentine gunboat fired on Chinese fishing boats.

It was said that a total of 55 Chinese fishing boats were working around the Malvinas Islands.

According to local news agency, Argentine Navy and Coast Guard reluctantly confirmed the incident. The same agency reported that the naval chief of staff will give a press conference Thursday afternoon to inform the details of the incident.

According to foreign wire services reports reaching here from Malvinas Islands, the British warship had asked Argentine Coast Guard to permit it to enter into the waters claimed by Argentina to help rescue crew members of ill-fated Chain Der 111 but was turned down by the Argentine gunboat.

ARTICLE PROFILES XINHUA'S CHANGING IMAGE

HK270404 Hong Kong SOUTH CHINA MORNING POST in English 27 May 86 p 2

[By Kevin Sinclair]

[Text] China's vast NEW CHINA NEWS AGENCY [NCNA] is trying to shed its old image of being a mere propaganda mouthpiece for the party. The sprawling information empire now seeks increasingly to be seen as a major source of world news.

To some extent, the agency is succeeding in efforts to change the way in which it is perceived overseas. But in other ways, it remains firmly wedded to the concept of being the voice of the people, which in Beijing means the Chinese Communist Party, the central government and their subsidiary organs of party and state.

First the good news: NCNA is hitting the headlines more frequently both at home and abroad with a wide range of stories critical or wayward officials, failing economic policies and corruption.

The deputy editor in chief, Mr Yu Minsheng, told me in a recent interview in the cavernous NCNA headquarters near the centre of Beining that the aim of NCNA journalists was the same as that of reporters anywhere to report the facts objectively.

Now the bad news: Diplomatic and journalistic observers in the capital still look on the agency as nothing more than a propaganda arm of the party. "Sure they criticise individuals known to be corrupt," said one experienced Beijing-based correspondent. "But they seldom get down to the root causes and attack the policies that lead to inefficiency and graft. They criticise people already targetted by the powers-that-be."

Mr Yu was himself a reporter in his native Zhejiang province and later in Shandong before going to the NCNA. His career there has been very successful; he covered the United Nations before China was admitted to the world body. Now, at the news headquarters, he is largely responsible for the day-to-day coverage of world news.

Is the focus of NCNA's coverage changing? Yes, says Mr Yu, but only because the international situation is changing and developing. So is China's national economy. As a news service, NCNA reflects these changes. Like any other international news agency, NCNA keeps abreast of the international situation, he explains. It does so with a network that includes offices in all of China's 29 provinces and autonomous regions and with bureaux in 99 cities around the world. In terms of staff, the biggest bureau is Hong Kong. (Many of the NCNA staff in Hong Kong are, of course, Foreign Ministry diplomats more accustomed to writing political analyses for Beijing than news stories.)

Do NCNA reporters cover the news independently or do they write from the perspective of being the voice of the Chinese Government and party? According to Mr Yu it is the duty of his reporters in the field to tell the story accurately and impartially, to tell what is happening objectively.

But surely the NCNA men and women would not write stories questioning party policies and platforms? Every newspaper and news agency anywhere in the world has its own policies, he said. Journalists reflected these.

But journalists everywhere shared things in common and the main universal factor was to report the facts fairly. NCNA staff did this in exactly the same way as other newsmen, by forging contacts, making friends, talking, reading newspapers, watching television, monitoring local radio stations, visiting places of interest and then making their own analysis and judgment. Maybe NCNA's choice of topics were different from other services but the stories were objective and factual.

As in every country in the world, there was an enormous keenness among young people to become reporters, Mr Yu said. NCNA gets its staff in the same way as any news organisation. Some come from journalism schools, some like Mr Yu from local newspapers in the provinces, some from other ministries.

Today, NCNA still has a core of men and women who came up the traditional route as copy boys. But increasingly the staff are well-qualified experts with language capabilities, like the young reporters and translators I saw in one of the Spanish-language offices. From there, they send stories to NCNA subscribers in bureaux in Madrid, Havana, Lima and a dozen other countries in Latin America.

The news agency which for many years was China's main presence in many parts of the world and which today still carries Beijing's message to much of the globe started modestly in the minor provincial backwater of Ruijin in Jiangxi in 1931. The town was then the headquarters of the communist enclave known as the Central Soviet Area and when the service was set up it was called the RED CHINA NEWS AGENCY. The Red Army broke out of the "iron shackles" thrown around the Jiangxi mountains in the Kuomintang campaigns to liquidate them and NCNA representatives accompanied the soldiers on the Long March.

After proclamation of the People's Republic in 1949, NCNA became the official state news pagency. Today, NCNA gets out the news with the swiftest electronic equipment, sending facsimilies in Chinese to Chinese language papers around the world. More than 20 publications are edited from its headquarters, some of them with giant circulations like the 3.5 million copies of the OUTLOOK WEEKLY (aimed at taking world affairs to the grassroots) and the daily REFERENCE NEWS with a circulation of 4.8 million.

The news service, the core of the operation, has a dual role, a twin responsibility. On the one hand, it provides for the people of China virtually the only news they get from abroad. NCNA dispatches are carried by every paper in the land, every television station, every radio news broadcast. It is the eyes and ears of China abroad.

But it also has the job of explaining to the world what is happening inside China. To do so, Mr Yu says NCNA has to go to some lengths to explain in detail why China has adopted a policy, how it is being implemented and what it is aimed at achieving. For this reason, stories about Chinese developments, especially the four modernisations programme, contained more explanations for readers outside China than internally. This was because people inside China knew what was happening and didn't need to be told. The reverse side of the mirror was also true; internal dispatches about overseas events were often lengthier and more detailed than the same story sent by NCNA on its service abroad.

The aim of reporting on the modernisation programme was not only to record the achievements of the plans but also to point out the shortcomings. "To realise the four modernisations is the main task of the entire Chinese people," Mr Yu said. "So it is the duty of our journalists to report on them."

But NCNA itself and its reporters did not alow their own views to affect their stories. Many people outside China in recent years had noticed a change in the way NCNA treated news. There was more colourful writing, more interpretation, a greater fluidness in digging out news about China, some of which wuld never have sseen the light of day before the opn door policies of Deng Xiaoping swept away old bans.

Ws the agency now being mroe daring, more searching, more critical? "Journalists together weith the public and the government have the same desire to see things run well," Mr. Yu said blandly, "But alll the news we cover, inside and outside China, is based on fact." Many observers in China, foreign journalists, diplomats, businessmen and those who rely on Chinese publications for their perceptions of the world, concede that NCNA now provides a boader, brighter and less biased picture of the world than it did in past years. No longer are its stories a collection of political polemic, slogans, abusive cliches and catch phrases designed to twist the mews instead of reporting facts.

But while there is no doubt that NCNA has improved vastly -- especially in coverage of such non-political areas as sports, culture and crime -- it is by no means the independent and autonomous organization that Chinsese officials contend. NCNA is still an arm of the Chinese Government and the Communist Party and its reports continue to reflect this fact.

These days, however, the stories that come clicking over NCNA teleprinters all over the world tend to be better--written, more concise, free of party dogma and comparatively straightforward when covering the bread and butter news issues of the day.

YUAN XIANLU NEW RENMIN RIBAO OVERSEAS EDITION DEPUTY EDITOR

HK290232 Hong Kong HONG KONG STANDARD in English 29 May 86 p 2

]Text] The man who laid the foundation of the overseas edition of the PEOPLE'S DAILY in Hong Kong, Yuan Xianlu, will be returning to Beijing on Sunday to asume new office. Mr. Yuan, the chief correspondent in Hong Kong of the PEOPLE'S DAILY, the Chinese Communist Party's official publication, will be in charge of the overseas edition. Sources told THE STANDARD that Mr. Yuan would be promoted to the post of the deputy editor-in-chief, a rank carrying the status of a vice minister. The post is currently being held by Tan Wenrui. Mr. Yuan's assistant, Chen Bowei, 60, will become the chief correspondent in Hong Kong. Mr. Yuan arrived in the territory with three other colleagues from China last June, shortly before the overseas edition made its debut on July 1.

HEILONGJIANG BORDER TRADE WITH SOVIETS DESCRIBED

HK231309 Hong Kong WEN WEI PO in Chinese 23 May 86 p 12

[Report: "Heilongjiang Buys Soviet Passenger Plans, Increases Border Area Trade With USSR"]

[Text] According to sources in Heilongjiang Province, border trade between Heilongjiang and the Soviet Uniion has become rather active. Heilongjiang recently bought a Soviet T-154 passenger plane. This shows that trade between Heilongjiang and the Soviet Union has developed to a new stage.

It seemed to outsiders that trade between China and the Soviet Union was suspended completely after the two countries became hostile to each other. In fact, only big transactions were stopped; trade did not stop in border areas. In particular, barter trade between the two sides has never stopped, because both sides can get the materials they need. In the early 1960's, the Soviet Union was short of meat. The Soviets exchanged their timber for our pork. In those days, China's material supply was strained and there was not sufficient pork, so China supplied the Soviets with pig guts, and they were also glad to accept this.

Since Sino-Soviet trade formally restored in 1982, such time-honored border trade has begun to develop more rapidly. Before 1982, the trade volume was limited. In 1983, the trade volume increased to 9.3 million rubles; in 1984, the figure was 12 million rubles; and in 1985, the trade volume increased to 30 million rubles. Things this year show that the figure will continue to rise.

The Far East region of the Soviet Union imports food and light industrial goods from Heilongjiang. These goods mainly include pork, beef, canned food, soy sauce, soybeans, towels, thermos flasks, soaps, toothpaste, knit goods, and fur caps. Heilongjiang imports timber, cement, steel products, cars, motorcycles, and refrigerators from the Soviet Union. Now, for the first time, Heilongjiang has bought a plane from the Soviet Union.

Heilongjiang and the Soviet Union share a 3,000-kilometer-long border line. The residents on the both sides of the border are friendly, and the active trade activities contribute to this friendship. At the same time, trade enables both sides to supply each other's needs. This is in the interests of both sides. The Soviet Far East region's industry is developing rather rapidly. However, the supply of food and daily industrial goods there is insufficient. If they transport these goods from the European region, the cost of these daily necessities will be very high. So the Soviets import such goods from Heilongjiang at much lower costs.

On the other hand, Heilongjiang also benefits by importing the Soviet Union's timber, steel products, motorcycles, and refrigerators. Although the quality of Soviet-made cars and refrigerators is not as good as similar goods made by Japan, they are really durable and much cheaper. In China's shops, the price of a Soviet-made refrigerator with a capacity of 160 liters is 800 yuan, but the price of a similiar Japanese-made refrigerator is 1,800 yuan. At present, in all prefectures and counties of Heilongjiang which are adjacent to the Soviet Union, special Soviet trade organs have been set up. They exchange orders with the Soviet and set prices for their goods in the currency of a third country.

According to informed sources, the Soviet Far East region is also seriously short on labor force. Although they use farming machines to do farm work, in rainy seasons the Soviets still cannot finish the harvest of wheat in time. Large quantities of wheat rot in the fields. Reportedly, a Soviet university graduate who comes to work in the Far East region can earn five times as much as his salary in Moscow and his house can be three times as large. It seems that the shortage of food and farm products in the Soviet Far East region is related to the shortage of labor force.

China is rich in labor force, so is it possible to cooperate with the Soviets in this field? Reportedly, North Korea has exported quite a lot of labor service to the Soviet Union. The Korean workers help the Soviets fell trees and their work is taken as compensation for the imports of Soviet timber. Will Sino-Soviet trade also develop to this stage? It seems that there is this possibility.

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HE KANG PRESENTS AFRICAN DEVELOPMENT PLAN

OW290618 Beijing XINHUA in English 0544 GMT 29 May 86

[Text] United Nations, May 28 (XINHUA) -- Calling for "a far-sighted approach" and "practical and effective steps," China today proposed a four-point plan for the economic development of Africa. Chinese chief delegate He Kang presented the proposal calling for increased aid, debt relief, capital inflow, and export support to the special session of the U.N. General Assembly on the critical economic situation in Africa, which opened here yesterday.

His four-prong proposal seeks an increase in aid to the African nations, particularly for agricultural and food production to help them attain self-sufficiency in food and the easing of the debt burden of the debtor countries by extending repayment schedules and reducing or liquidating debts.

The proposal also seeks the elimination of protectionism, the opening up of more markets to African countries, raising and stabilizing the export prices of African primary products and assistance for the African countries to enhance their capability in processing, marketing and transporting their export products.

Finally, the proposal asks for the expansion of the inflow of capital to African countries by softening credit terms, preferential treatment, lower interest rates and increasing their quotas in the International Monetary Fund (IMF).

In his address, the Chinese chief delegate attributed the current economic plight of the African nations mainly to colonialism and the unfair international economic order. "The present critical economic situation in Africa has its deep-rooted historical causes. It should be stressed that the prolonged colonial rule has resulted in massive plundering of Africa's natural resources, destruction of ecological balance, lopsided economic structure and stagnation of economic development, bringing enormous miseries to the African people."

He pointed out that Africa has not only borne the heavy burden left over from the past, but also been tightly fettered by the existing inequitable and unjust international economic order. The economic crisis in developed countries has further aggravated Africa's economic difficulties, he said.

"The incessant drop of prices of Africa's raw materials and primary products, the continued deterioration of its terms of trade, the increasingly harsher conditions on loans and credits from international financial institutions and the gradual decrease of actual official development aid and the inflow of capital have resulted in a stagnation and shrinkage of production, huge deficits of international payments, heavier debt burdens, steady fall in per capita income and worsening impoverishment in many African countries," he said. These unfavorable external factors have combined with serious natural calamities in recent years to impede economic recovery and development in Africa, he said.

He emphasized that in the face of the present grim international economic environment, the African countries cannot possibly accomplish their goal of development through their own efforts alone. So the international community should give active support and all-out assistance to create the necessary external environment for them.

He pointed out that African countries are now trying hard to give priority to agricultural development, especially food production, to promote diversified modes of economies, to carry out extensive international and regional cooperation and strive for enhanced collective self-reliance.

He Kang told the general assembly that China, itself a low-income developing country, has always regarded it as its international duty to give support and assistance to African countries and peoples. "Africa has all along occupied an important place in China's program of foreign aid and economic and technical cooperation," he added.

China will continue to offer long-term interest-free loans to African countries within its capabilities, he said, adding that China's assistance is a form of mutual assistance between poor friends. "Under no circumstances, will China press for debt-servicing," he said. He said that China will increase aid to agriculture and farm produce processing industry in Africa to help it realize self-sufficiency in food supply. China also will step up its efforts to strengthen its work force for agricultural cooperation with Africa and to establish training centers for agro-technicians and managerial personnel in Africa, he said.

He stressed that China is determined to work together with the African countries, other developing countries and the whole international commnity for the establishment of the new international economic order, the strengthening of South-South cooperation and the promotion of North-South dialogue in a bid to seek the sound development of the world economy as a whole.

PRC TO RECEIVE LOANS FROM WORLD BANK, IDA

OW271010 Beijing XINHUA in English 0944 GMT 27 May 86

[Text] Beijing, May 27 (XINHUA) -- China will borrow 190 million U.S. dollars from the World Bank and the International Development Association (IDA) to expand a major port and to develop fisheries, according to a World Bank news release today. The World Bank will lend China 130 million U.S. dollars to build a new pier in the eastern port city of Tianjin, one of the major industrial cities in north China. The loan is for 20 years, including five year's grace. The pier will have 11 deep-water berths which will help to increase the port's efficiency in handling general cargo, timber and construction materials, the World Bank said.

The IDA credit for the fisheries project, totalling 60 million U.S. dollars, is for 50 years, including 10 years of grace. It will be used to develop fishery operations near eight urban centers in China. The eight cities are Beijing, Chengdu, Chongqing, Hangzhou, Harbin, Nanchang, Shanghai and Shenyang. The project will develop 11,100 hectares of new ponds on land that is unsuitable for crops and improve 6,100 hectares of existing ponds. The project is expected to be completed by the end of 1990 and will produce annually about 85,000 tons of freshwater fish and 75,000 tons of fish food, the World Bank said.

According to Chinese departments concerned, legal procedures for the signing of the agreement are under way and are expected to be finished by July.

U.S. TO COMPLY WITH SALT II TREATY OBLIGATIONS

OW280817 Beijing XINHUA in English 0707 GMT 28 May 86

[Text] Washington, May 27 (XINHUA) -- U.S. President Ronald Reagan today decided to destroy two submarines to keep the United States within the limits of the 1979 Strategic Arms Limitation Treaty (SALT II). The two oldest Poseidon submarines, each carrying 16 missiles, will be retired this summer to be replaced by a new Trident, the USS Nevada, with 24 multiple warhead missile launchers. Without the withdrawal of the Poseidons, the United States would have exceeded the SALT II limits. But, White House spokesman Larry Speakes warned, the U.S. restraint will be reviewed later this year when it deploys the B-52 heavy bombers with cruise missiles to take into account alleged Soviet violations of the treaty and the current arms negotiations.

The treaty, signed in 1979 by former U.S. President Jimmy Carter and late Soviet leader Leonid Brezhnev but never ratified, requires both countries to destroy older weapons as newer ones are introduced to maintain a 1,200 missile launchers limit for each side.

President Reagan announced his decision in a written statement in which he said that "the United States seeks to meet its strategic needs by means that minimize incentives for continuing Soviet offensive force growth." He expressed the hope that the Soviet Union would give substance to the agreement he reached with General Secretary Gorbachev in Geneva to achieve early progress, in particular in areas were there is common ground, including the principle of 50 percent reductions in the strategic nuclear arms of both countries.

WEINBERGER SAYS SALT II IS 'FLAWED' AGREEMENT

OW291911 Beijing XINHUA in English 1815 GMT 29 May 86

[Text] Washington, May 29 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger said today that the Strategic Arms Limitation Treaty (SALT Two) is a "flawed, expired" agreement that the United States never endorsed. Weinberger, appearing on NBC's "Today" program, also said that the SALT Treaty is not a very good agreement, which allowed the Soviet Union to expand its military build-up. The United States is trying to "get agreements that reduce very drastically the amount of arms on each side," he added.

Referring to the dismantlement of two older submarines announced by the White House Tuesday, the Defense Secretary stressed that "we will do this on the basis of what is good for our security, not whether there is some artificial compliance with a flawed, expired treaty". "Our security requirements will be the primary, indeed the only concern, as we move toward the future," he said.

Asked about the planned summit meeting between President Reagan and Soviet leader Gorbachev in the United States, Weinberger replied that he thought "it is important that Gorbachev keep his promise and come" to the United States sometime this year.

U.S. TO EQUIP B-52'S WITH CRUISE MISSILES

OW290332 Beijing XINHUA in English 0122 GMT 29 May 86

[Text] Washington, May 28 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger announced today that the United States will equip B-52 bombers with air-launched cruise missiles in August or September, "because that's very much in our interest to do so."

Before delivering the commencement speech at the West Point Military Acadamy, Weinberger told reporters that the United States is no longer bound by the Salt Two Treaty, which is never ratified by the U.S. Senate. He called it a "flawed agreement." He said the Soviets "continue to violate it by deploying new missiles that are not within the permission of the Salt Two limits." Weinberger said that he did not expect the Soviets to cease their violations of the treaty, no matter what Americans do.

Speaking of the dismantlement of two Poseidon submarines ordered by President Ronald Reagan yesterday, Weinberger said that "we will not be modernizing the two submarines because it's not really cost-effective to do that." Weinberger's remarks in large part echoed those of President Reagan yesterday. The president said in a written statement that "the united States must base decision regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces."

ZHAO, REAGAN CONGRATULATE DAILY ON ANNIVERSARY

OW291528 Beijing XINHUA in English 1439 GMT 29 May 86

[Text] Beijing, May 29 (XINHUA) -- Chinese Premier Zhao Ziyang and U.S. President Ronald Reagan have sent contragulations marking the fifth anniversary of "CHINA DAILY," the only English-language daily in the People's Republic.

Said Zhao: "In the past five years, 'CHINA DAILY' has done much work in promoting understanding and friendship between the Chinese people and the people of the world, an in enhancing their economic and cultural exchanges." He said he hoped the paper's staff would continue to work for a "content-rich, clear-cut and lively newspaper with both Chinese and foreign readers will enjoy reading." Reagan said in his message the "friendly relationship of China and the United States has developed well in the past five years, and the 'CHINA DAILY' has reflected this and made an important contribution to mutual understanding."

The messages will be carried in the fifth anniversary supplement to Saturday's edition of the paper. Also included will be congratulatory messages from Peng Zhen, chairman of the National People's Congress Standing Committee, and Deng Yingchao, chairwoman of the National Committee of the Chinese People's Political Consultative Conference.

The state-owned newspaper was launched on June 1, 1981 with an initial print run of 10,000 copies. Now the combined daily circulation of the paper and its foreign editions is 100,000. The paper's target readership is still English-speaking foreigners within China -- tourists as well as residents -- for whom the paper was originally intended. But over the last five years, the paper has expanded its audience overseas with a Hong Kong edition distributed by Wen Wei Po and a North American edition distributed by the CHINA DAILY distribution corporation in New York. Now published by satellite transmission on the same day in Beijing, Hong Kong, New York and San Francisco, CHINA DAILY has subscribers in 150 countries.

MAGAZINE CRITICIZES U.S. MOVES AGAINST TERRORISM

HK290754 Beijing SHIJIE ZHISHI in Chinese No 10, 16 May 86 pp 13-14

[Article by Hua Di and Jun Min: "New U.S. Moves Against Terrorism" -- capitalized passages printed in boldface]

[Text] According to a TIME report on 28 April, there has always been a debate in the United States on how to deal with terrorism. A group represented by Defense Secretary Caspar Weinberger advocates "caution and restraint," while another represented by Secretary of State George Shultz advocates the "use of military measures to curb" terrorism. President Reagan has always favored acting with caution since 1983. Recently, however, he shifted his position. He advocated "using violence to counter violence" saying that it is necessary not only to strike at terrorism itself but also to carry out large-scale sea and air raids on its "sources" and on "countries supporting terrorism." He also approved actions taken in line with this stand. Weinberger has also changed his attitude. In Boston he said: "Terrorism is now a state-sponsored act and a method of launching a war." For this reason, he agreed to use military force to curb terrorism. In early April, former National Security Adviser Robert McFarlane publicly raised the slogan "violence is effective." The above-mentioned moves, as well as the new positions that have appeared in recent official documents, show that a new theory against terrorism has developed. In particular, the two sea and air raids on Libya carried out by the United States show that the U.S. Administration has basically reached a consensus. The most salient point is that **THE FIGHT AGAINST TERRORISM HAS GONE BEYOND THE USUAL INTERNATIONAL PRACTICE OF REGARDING ANTITERRORISM AS THE RESPONSIBILITY OF THE POLICE AND HAS BECOME A COMPONENT PART OF MILITARY ACTIONS.** World opinion has expressed grave fears that this new theory and action against terrorism will probably make it easier for the United States to use its military forces to attack other countries' territories, to infringe upon other countries' sovereignty, and even to conduct more serious military escalations in the future.

The main contents of the new U.S. theory against terrorism are roughly as follows:

1. **THE FIGHT AGAINST TERRORISM HAS BEEN OFFICIALLY DEFINED AS A COMBAT TASK OF THE ARMED FORCES AND AN OPERATIONAL PATTERN OF LOW-INTENSITY CONFLICTS.**

Since 1983, U.S. defense reports and the Military Situation reports by the Joint Chiefs of Staff have been discussing the question of fighting terrorism. The Military Situation report this year has even expounded this question in a separate chapter, defining it as a combat task of the Armed Forces and calling on the "three armed services to take actions against growing terrorism." The report has also disclosed that the chiefs of staff of the three branches of the Armed Forces have joined the vice president's special team on dealing with the question of terrorism and have put forward the idea of coordinating the U.S. Armed Forces and other nonmilitary institutions with security forces of host countries abroad. The defense report this year has also designated the task of fighting terrorism as an operational pattern of "low-intensity conflicts" and called on the three armed services to get ready for action at any time.

2. TERRORISM HAS BEEN LISTED AS THE MOST PRACTICAL THREAT TO U.S. NATIONAL SECURITY. The Military Situation report said that international terrorism is the most practical threat to the U.S. national security and pointed out that terrorist activities have the following characteristics: 1) They tend to grow continuously. According to statistics listed in the report, there were about 700 international terrorist acts in the first 10 months of 1985, topping all previous records. 2) They are aimed at the United States. According to the statistics, some 40 percent of the terrorist acts committed over the past 5 years were directed at the United States, most at U.S. Government representatives to foreign states. 3) They have caused increasingly serious losses of lives and property. The average casualities of each act hav become heavier. The explosions at the U.S. Embassy and Marine headquarters in Lebanon in 1983 and 1984 show that superior skills and methods have been employed in terrorist sabotage activies. 4) The United States itself has not escaped terrorist attacks. Sabotage activities on U.S. territory and in Puerto Rico have increased in recent years, totaling 218 cases in 5 years. 5) The terrorist organizations and their activities have increasingly become "internationalized." Terrorist activities in Europe and the Middle East region have joined together. 6) The targets of sabotage have become more extensive. Power networks, shipping routes, oil pipelines, telecommunications systems, and computer centers have become easy targets of attack.

3. THE MEASURES AND METHODS USED AGAINST TERRORISM HAVE BECOME INCREASINGLY "MILITERIZED AND INTERNATIONALIZED" " Document No 138 Guiding National Security Decisionmaking," which was signed by President Reagan on 3 April 1984, pointed out that "when the United States and its allies are jeopardized by terrorist crimes," the United States supports the principle of "employing military and paramilitary strike forces." It advocated using American military forces and, at the same time, winning over the support of its allies "in order to demonstrate its determination to fight terrorism." The target of attack is directed not only at the terrorists themselves but also at the "countries of origin" and "countries supporting terrorism." This makes antiterrorist actions more "militarized" and "internationalized." A study report of the U.S. Congress disclosed that retaliatory actions may include the following options and steps:

1. Carry out "surgical" air raids. The targets may include personnel and facilities such as the centers, training sites, and depots of terrorists.

2. Carry out commando raids. The targets include the centers and facilities of terrorists.

3. Employ mercenary troops. The United States may recruit, equip, train local people and organize them into mercenary troops in order to attack the facilities of terrorists.

4. Carry out air raids against carefully selected targets at the "sources" of terrorism and "countries supporting terrorism."

5. Carry out large-scale sea and air raids against the "sources of terrorism and "countries supporting terrorism." The United States will dispatch naval and air forces to destroy the industrial centers, ports, transport facilities, telecommunications centers, or other instantly destructible targets in that country in order to show to the countries supporting terroriste activities that if they continue to support terrorism, they will have to pay a high price.

Impose political and economic sanctions on the "cources" of terrorism and "countries supporting terrorism." This can be imposed unilaterally by the United States or in coordination with other allies. The sanctions include imposting a trade emgargo, affecting a blockade, confiscating that country's property in the United States, blockading air harbors, forcing the other party to pay compensation, expelling it from international bodies, banning investments or travel in that country, and so on. The report and document pointed out that political and economic sanctions are more liable to enjoy international support than military retaliation.

From the two recent U.S. air raids on Libya we can see that the United States has taken a few steps forward in keeping with the above-mentioned theory and that some actions are still being deliberated. While ponting out that Libya is a "source" of terrorism, the U.S. Military Situation report also mentioned Syria, Iran, the People's Democratic Republic of Yemen, Cuba, and Nicaragua by name. In answer to a reporter's question on 23 April, Ronald Reagan also said that if there is proof that Syria and Iran support terrorism, the United States will bomb Damascus and Tehran. The United States seems to be getting ready for a big action. What is particularly noteworthy is that the above-mentioned study of the U.S. Congress also mentioned the feasibility of "CARRYING OUT PREEMPTIVE OR PREVENTIVE ATTACKS." This shows that the United States will not necessarily react according to terrorist crimes but will probably carry our "preventive attacks" according to the acquired information.

Terrorist acts are indeed very unpopular. The Chinese people, along with the people of the world, unanimously and strongly denounce all forms of terrorism. However, by advocating the need to make "preventive military attacks" upon terrorism the United States has given the green light to the practice of violating the principles govening international relations and indiscriminately employing military means. This will inevitably result in the escalation of military conflicts and seriously affect the stability of the international situation. The international community should not regard as unimportant the trend of abusing military force.

FANG YI OPENS U.S., PRC TECHNOLOGY EXHIBIT

OW290522 Beijing Domestic Service in Mandarin 0300 GMT 27 May 86

[Text] The 1986 exhibition to exchange scientific and technological know-how opened at the China International Exhibition Center this morning. State Councillor Fang Yi attended the opening ceremony and cut the ribbon to inaugurate the exhibition. The exhibition is jointly sponsored by the U.S. Association of Manufacturers of Asian Ancestry and the China Scientific and Technological Exchange Center.

SOVIET COSMONAUTS WALK, BUILD STRUCTURE IN SPACE

OW281427 Beijing XINHUA in English 1350 GMT 28 May 86

[Text] Moscow, May 28 -- Two Soviet cosmonauts today rode into space and built a 15-meter truss on the surface of the orbiting Salyut-7 space station for the first time in the history of space exploration. The truss will serve as a prototye of the big structures, which are to be assembled in near-earth orbit in the future, the Soviet news agency TASS said.

Leonid Kizin and Vladimir Solvyev spent one hour 46 minutes walking oustide the station and the walk was shown live on Soviet television. Television viewers could see that the segments of the structure were taken out of a cylinder, joined together by means of automatic devices, and that the whole structure was firmly fixed to the platform. TASS said, "This technological experiment ushers in a new stage in the work in orbit and opens the possibility of large-scale assembly work in outer space."

Kizin and Solovyev entered into space by the Soyuz T-15 craft on March 13 and docked their spacecraft with the orbital complex Salyut-7 on May 6. Kizin, 44, and Solovyev, 39, are among the most experienced cosmonauts in the Soviet Union. They set the endurance record of 238 days aboard Salyut-7 with their colleague Oleg Atkov in 1984.

U.S. DOCTOR SAYS CHERNOBYL DEATH TOLL AT 23

OW300100 Beijing XINHUA in English 2356 GMT 29 May 86

[Text] Beijing, May 30 -- The death toil from the Soviet Union's Chernobyl nuclear plant accident has risen to 23, reports quoted a U.S. doctor as saying Thursday. The latest figure ws given by Dr. Robert Gale, a specialist in bone marrow transplants from the University of California, who has been invited to the Soviet Union to treat the accident's victims hospitalized in Moscow. In a telephone interview Gale said two people were killed during the initial April 26 explosion at the power plant and 21 have died in Moscow hospitals of radiation sickness and related diseases. He also said 59 people now were considered in serious condition with 14 of them exceptionally critical. "The figures I have told you are the latest and they are reliable," A UPI dispatch quoted him as saying.

Earlier in Cologne, Federal Germany, Soviet Deputy Health Minister Yevgeniy Chazov told an international congress of physicians that the number of dead from the Chernobyl disaster has risen to 21 up to the date of his departure from the Soviet Union and 30 were still in "serious condition." The previous official figure given to Soviet and foreign reporters at a Monday news conference in Moscow was 19. Chazov said the 21 dead included 11 who had had bone marrow transplants.

Meanwhile, Radio Moscow said Thursday the Soviet Union plans to restart the three undamaged nuclear reactors at Chernobyl by the end of the year, including the one twinned to the damaged fourth unit. The radio report said cleanup activities at the power complex 960 kilometers southwest of Moscow were being conducted at a rapid pace and three of the four reactors would be back on line by the end of 1986.

NORTHEAST ASIA

CORRECTION: RERUN OF PAGE FROM 27 MAY DAILY REPORT

Due to a printing error Page D 1 was illegible in the 27 May DAILY REPORT. It is being rerun here as it should have appeared in that book.

DENG YINGCHAO MEETS DPRK FRONT DELEGATION

HK250229 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 24 May 86

[Text] On 24 May, CPPCC Chairman Deng Yingchao met in Xian a delegation of the Korean Democratic Front for the Reunification of the Fatherland headed by Chong Sin-hyop. In the course of a cordial and friendly chat, Deng Yingchao said: Originally I had intended to meet you in Beijing. Today I have come to Xian, where you happen to be visiting. Xian is China's famous ancient capital. I feel particularly glad to welcome you Korean comrades here. She said: The friendship of the Chinese and Korean peoples is cemented in blood. It is unbreakable. The Chinese people regard every victory and achievement of the fraternal Korean people as their own victory and achievement, and feel particularly happy about it.

Lifting her tea glass to Chong Sin-hyop, Deng Yingchao said: Using tea instead of wine, I wish health and long life to Chairman Kim Il-song, and good health to Secretary Kim Chong-il, and I wish everlasting friendship between the Chinese and Korean peoples.

Chong Sin-hyop thanked respected and beloved Chairman Deng Yingchao for finding the time to receive his delegation. He conveyed to her regards from Chairman Kim Il-song and Comrade Kim Chong-il. He said: On its visit to China, the delegation of the Korean Democratic Front for the Reunification of the Fatherland has found out about the tremendous changes that have occurred in China under the leadership of the CPC. We sincerely wish the Chinese people still greater success in socialist construction. Chong Sin-hyop said: The great friendship between China and Korea, cemented in blood, was personally forged by Chairman Kim Il-song, Chairman Mao Zedong, and Premier Zhou Enlai. This friendship is blossoming into still more beautiful flowers today. He said: The people of Korea will make every effort to continually strengthen the great friendship between Korea and China and to pass it on for all generations.

Accompanying the Korean comrades to Xian were Yang Jingren, vice chairman of the CPPCC; vice chairman of the CPPCC, and Wei Mingzhong, vice chairman of the provincial CPPCC.

LI PENG MEETS VISITORS FROM JAPAN'S POWER INDUSTRY

OW241110 Beijing XINHUA in English 1007 GMT 24 May 86

[Text] Beijing, May 24 (XINHUA) -- Vice-Premier Li Peng met Gaishi Hiraiwa, chairman of the Tokyo Electric Power Co., Inc. of Japan, and his party here today. They conferred on the development of power industry of the two countries and the strengthening of bilateral exchange in power technology. The Japan friends arrived May 19 for a friendly visit at the invitation of Wang Zhen, honorary president of the China Association for International Friendly Contacts.

FOREIGN MINISTER WU XUEQIAN ENDS IRELAND VISIT

OW291346 Beijing XINHUA in English 1336 GMT 29 May 86

[Text] Dublin, May 29 (XINHUA) -- Chinese State Councillor and Foreign Ministrer Wu Xueqian left here this morning after a two-day visit to Ireland. Present at the airport to see him off were Irish Minister for Tourism, Fisheries and Forestry Liam Havanagh, Irish Ambassador to China Dermot Waldron, and Chinese Ambassador to Ireland Xing Zhongxiu. Wu, who is currently touring nine European countries, will stop over in Copenhagen and continue on to visit Democratic Germany and Hungary.

PRC, BELGIUM SIGN NUCLEAR ENERGY AGREEMENT

OW300220 Beijing XINHUA in English 0200 GMT 30 May 86

[Text] Brussels, May 29 (XINHUA) -- China and Belgium today signed and agreement aimed at promoting exchanges and cooperation for the development of science and nuclear technology for peaceful purposes. The agreement was signed by Jiang Shengjie, president of the Chinese Nuclear Society and Professor Vereecken, President of the Belgian Nuclear Society. Jiang arrived here Tuesday as head of a three-man Chinese Nuclear Society delegation. He held talks with several Belgian nuclear companies and visited a nuclear power plant, uranium fuel manufacturing industries, laboratories of the nuclear research centre and nuclear waste facilities. Belgium possesses six nuclear power plants.

FRG TRADE UNIONS URGE U.S.-SOVIET DETENTE

OW290659 Beijing XINHUA in English 0541 GMT 29 May 86

[Text] Bonn, May 28 (XINHUA) -- The 13th National Congress of the Federation of German Trade Unions today adopted a resolution urging the Soviet Union and the United States to drop their confrontation policies and enter a new phase of detente. The resolution demanded destruction of all short- or medium-range missiles deployed in or targeted at Europe, and abandonement of all space-based weapons.

The federation also denounced the United States' Strategic Defense Initiative (SDI) and similar research efforts by the Soviet Union.

While asking the Soviet Union to end its intervention in Afghanistan, the resolution demanded the United States halt its supoport for authoritarian and military regimes and political pressure on the Nicaraguan Government.

At today's meeting in Hamburg, Ernst Breit, federation chairman, and Gerd Muhr and Gustav Fehrenbach, vice chairmen, were re-elected to four-year terms. Breit, in his report to the Congress which opened on May 25, stressed that trade unions would work for social welfare and the basic rights of working, common determination and social security. The federation includes 17 trade unions and has 7.7 million members.

VICE FOREIGN MINISTER VIEWS EAST EUROPE RELATIONS

HK270410 Beijing CHINA DAILY in English 27 May 86 p 1

[By staff reporter Wang Gangyi]

[Text] The development of relations between China and East European countries is in the fundamental interests of their peoples and conducive to world peace, according to Qian Qichen, vice-minister of foreign affairs.

Qian told CHINA DAILY in an interview in Beijing yesterday that further improving China's friendly relations and co-operation with these countries is an important part of China's policy of extensively developing ties with foreign countries. Qian made the remarks on the eve of Foreign Minister Wu Xueqian's visit to the Democratic Republic of Germany and the People's Republic of Hungary. Wu is due to visit the two countries from the end of this month to early June. This will be the first time for a Chinese foreign minister to go to these countries since Zhou Enlai, the late Chinese premier and foreign minister visited them in 1954.

"Conditions in China and East European countries are quite different and their geographical circumstances are not the same," Qian said. "But we share the common goal of developing our national economies and improving our people's living standards. We all need a sustained and stable peaceful international environment," he added. He noted that although China and these countries have different views on some issues, they have no conflict of interests. "There are good prospects for developing relations between China and the East European countries so long as they act under the principle of equality, mutual benefit and mutual respect," he said.

Qian said that the visit by Foreign Minister Wu Xueqian to the Democratic Republic of Germany and Hungary is of great importance. The three foreign ministers became acquainted during meetings of the United Nations General Assembly from 1983 to 1985. "This visit will surely promote friendly relations and co-operation between China and these two countries and strengthen their peoples' understanding and friendship," Qian noted.

He recalled that China's relations with Democratic Germany, Hungary, Poland, Czechoslovakia and Bulgaria have developed greatly since 1983. There have been exchange visits with vice-foreign ministers of all five countries during which they discussed international issues of common concern and ways of developing bilateral ties, he said. "Last year China signed five-year trade agreements and established bilateral committees on trade and economic, science and technological co-operation with these countries," he added.

According to figures released by the Customs [as published], China's trade volume with the five countries last year totalled $1.54 billion.

Chinese vice-premiers have visited all five countries and National People's Congress delegations have visited Poland and Democratic Germany. A Polish parliamentary delegation is expected to visit China in the near future and a vice-premier from Bulgaria will come to Beijing for a return visit. Qian said that China is satisfied with the positive development of relations with the five countries which, as he put it, "are beneficial to socialist construction, to the exchange of experiences and to mutual understanding and friendship of our peoples."

SINO-ROMANIAN YOUTH FRIENDSHIP MEETING HELD

OW271834 Beijing XINHUA in English 1758 GMT 27 May 86

[Text] Beijing, May 27 (XINHUA) -- A meeting on Sino-Romanian youth friendship was held here today, attended by 150 members of a Romanian youth delegation and around 1,500 Chinese young people in the capital. In a message to the meeting, Chinese Communist Party General Secretary Hu Yaobang said, "as a generation to live through this century, the future belongs to you." "The hope for the longstanding, stable and all-round development of Sino-Romanian friendship is placed on you," he added. Hu noted the fact that the meeting is held in the international peace year bears special significance. "The people, including the young people of both countries, are major forces for maintaining peace and I eagerly hope that Sino-Romanian young people will strive hand in hand for sustained world peace."

In a message to the meeting, President Nicolae Ceausescu said the two parties and the two peoples greatly value the prolonged friendly relations between the two countries. "These relations built on the solid basis of absolute equality, mutually respect for their national independence and sovereignty, non-interference into other's internal affairs, mutual esteem are developing constantly." He expressed the belief that Chinese and Romanian youths will cooperate closely in the spirit of friendship and unity, so as to make greater contributions to the friendship, cause of socialism and world peace.

Song Defu, first secretary of the Chinese Communist Youth League Central Committee, and his Romanian counterpart Nicu Ceausescu both made speeches at the meeting. Hao Jianxiu, member of the Secretariat of the Chinese Communist Party Central Committee, also attended the meeting. A Romanian youth photo exhibition was opened here this morning.

Feted by Xi Zhongxun

OW271832 Beijing XINHUA in English 1747 GMT 27 May 86

[Text] Beijing, May 27 (XINHUA) -- A banquet was held at the Great Hall of the People here today for a Romanian youth delegation led by Nicu Ceausescu, first secretary of the Central Committee of the Romanian Union of Communist Youth League Central Committee. In his toast, Xi Zhongxun, member of the Political Bureau of the Communist Party Central Committee, said the friendship between the two parties, the two governments and the two peoples have stood tests and are deep-rooted. The exchange of visits between the young peoples signifies a promising vista of friendship between the two countries, he said.

Xi expressed the hope that the visit of the Romanian youth delegation will help deepen the friendship and trusts founded by the old generations of the two countries and promote the longstanding, stable and all-round development of the friendship.

Song Defu, first secretary of the Chinese Communist Youth League Central Committee, and Nicu Ceausescu also spoke at the banquet. Present were also member of the Secretariat of the Communist Party Central Committee Hao Jianxiu and over 150 young people from Romania.

Meet With Hu Yaobang

OW281216 Beijing XINHUA in English 1158 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang met leading members of a visiting Romanian youth delegation here today. Hu said the relations between the two parties, the two governments and the two peoples, including their young people, are very good. He expressed the hope for the expansion of friendly bilateral relations. The delegation is led by Nico Ceausescu, first secretary of the Central Committee of the Romanian Union of Communist Youth and minister for youth problems. It is scheduled to leave for the southern Chinese cities of Hangzhou and Shanghai tomorrow.

Hu Qili Co-Hosts Dinner

OW281718 Beijing XINHUA in English 1523 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, and Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, met here today with leading members of a Romanian youth delegation. They hosted a dinner for the visitors after the meeting. The delegation is led by Nicu Ceausescu, first secretary of the Central Committee of the Romanian Union of Communist Youth and minister for youth problems.

PRC, GDR AGREE TO EXPAND TRADE RELATIONS

OW270056 Beijing XINHUA in English 0029 GMT 27 May 86

[Text] Berlin, May 26 (XINHUA) -- China and Democratic Germany today agreed to expand trade relations during the next five years. Qin Zhongda, Chinese minister of chemical industry, and his Democratic German counterpart, Guenther Wyschofsky, agreed that bilateral trade-economic relations should be developed further. The two addressed the second plenary session of the Democratic Germany-China Economic Commission, which opened in Berlin today.

Qin and Wyschofsky characterized the 1986-1990 trade and payments agreement, signed last July, as an important basis for developing the economic and scientific-technological cooperation between China and Democratic Germany. The economic commission was established in April 1985 and its first plenary session was held in Beijing.

FANG YI MEETS GDR SCIENCE ACADEMY GROUP

OW221131 Beijing XINHUA in English 1118 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- State Councillor Fang Yi today met a delegation from the Academy of Sciences of Democratic Germany led by its President Werner Scheler, which arrived here May 15. They conferred on the strengthening of scientific and technological co-operation between the two countries. Lu Jiaxi, president of the Chinese Academy of Sciences, was among those present. Earlier today, Lu Jiaxi and Scheler signed an agreement on the co-operation in the field of natural sciences and technology sciences between the two academies, and a 1986-1988 program on scientific co-operation. According to the agreement, both sides will exchange scientists to make field studies, pay visits, do research work, attend academic activities, exchange information of research achievements, and also hold bilateral academic symposiums.

SONG JIAN MEETS GDR COUNCIL CHAIRMAN STOPH

OW231801 Beijing XINHUA in English 1733 GMT 23 May 86

[Text] Berlin, May 23 (XINHUA) -- Willi Stoph, chairman of Democratic Germany's Council of Ministers, met Chinese State Councillor Song Jian here today. Stoph said Democratic Germany has the same views on maintaining world peace as China and he expressed his happiness about the friendly cooperation between the two countries in all fields.

Song noted that China attaches great importance to developing friendship and cooperation with Democratic Germany, scientific and technological cooperation between the two countries, which he said helps maintain world peace. [sentence as received]

SCIENCE MINISTER SONG JIAN IN CZECHOSLOVAKIA

Technical Cooperation Reviewed

OW261601 Beijing XINHUA in English 1448 GMT 26 May 86

[Text] Prague, May 26 (XINHUA) -- China and Czechoslovakia today discussed ways to enhance bilateral scientific and technological cooperation. Song Jian, Chinese state councillor and minister-in-charge of the Science and Technology Commission, and his Czechoslovak counterpart Jaromir Obzina expressed satisfaction with Sino-Czechoslovak cooperation in science and technology in recent years during their talks.

The two men briefed each other on their scientific and technological achievements and their future development program. Song, heading a Chinese scientific and technological delegation, arrived here yesterday from Berlin, where he signed a 10-year scientific and technological cooperation agreement between China and Democratic Germany.

Meets Premier Strougal

OW281428 Beijing XINHUA in English 1421 GMT 28 May 86

[Text] Prague, May 28 (XINHUA) -- Czechoslovak Premier Lubomir Strougal today expressed satisfaction with the development of relations between his country and China and hoped the ties will be further strengthened. While receiving Chinese State Councillor Song Jian, Strougal said the two countries should make greater efforts to promote bilateral cooperation in politics, economy, science and technology and culture.

Song Jian, who is also minister in charge of the State Science and Technology Commission, said there exists a large potential for China and Czechoslovakia to cooperate in science and technology and that the two countries should take further measures to advance their cooperation. Song, heading a Chinese scientific and technological delegation, arrived here last Sunday. He held talks with his Czechoslovak counterpart Jaromir Obzina on Monday.

BULGARIA, PRC TO INCREASE ECONOMIC COOPERATION

OW280152 Beijing XINHUA in English 0119 GMT 28 May 86

[Text] Sofia, May 27 (XINHUA) -- The Bulgarian Government will help promote cooperation between Chinese and Bulgarian enterprises, Bulgarian Premier Georgi Atanasov said today. While meeting with Lu Dong, minister in charge of China's State Economic Commission, the premier said the exchange of visits by top-level delegations between the two countries in the past two years had increased mutual understanding and laid the foundation for the development of cooperation in economic, trade, scientific and technological fields. Lu's visit, he added, will create a better prospect for this cooperation. Atanasov also briefed his guest on the tasks and concrete policies in the socialist construction in Bulgaria.

The Chinese minister arrived here on Monday leading a Chinese economic delegation for a visit to this country.

PRC, POLISH NEWS AGENCIES SIGN COOPERATION PACT

OW272357 Beijing XINHUA in English 2346 GMT 27 May 86

[Text] Warsaw, May 27 (XINHUA) -- China's XINHUA NEWS AGENCY and the press agency of Poland (PAP) today signed a cooperation agreement, the first of its kind ever concluded between the two organizations. The accord was signed by XINHUA Director General Mu Qing and PAP Director Janusz Roszkowski.

Roszkowski said the signing of the agreement would enhance the relations of cooperation between the two news agencies which began right after the founding of new China.

Mu Qing said he believed that the new agreement would bring to a new stage the cooperation between the news agencies of two socialist countries which has existed without a letup over the past three decades and more.

NEW SFRY PREMIER MEETS AMBASSADOR XIE LI

OW281303 Beijing XINHUA in English 1207 GMT 28 May 86

[Text] Belgrade, May 27 (XINHUA) -- Newly-appointed Yugoslav Premier Branko Mikulic told Chinese Ambassador Xie Li today that the Yugoslav-Chinese friendly relations, which have been developing smoothly over the years, will be further strengthened in the future. The premier, who met with the Chinese ambassador in the Federal Hall, said that he was interested in the fresh experiences China has gained in its socialist construction.

He added that China has scored rapid progress in its construction after overcoming various obstacles and that Yugoslavia is pleased with the achievements China has made. Mikulic told the Chinese ambassador that his new government will make all efforts to deal with the country's economic problems.

Ambassador Xie conveyed to Mikulic the greetings of Chinese Premier Zhao Ziyang on his new appointment as Yugoslav Premier.

PRC, SURINAME COMMEMORATE ANNIVERSARY OF RELATIONS

Sends Message

OW271702 Beijing XINHUA in English 1549 GMT 27 May 86

[Text] Beijing, May 28 (XINHUA) -- Chinese President Li Xiannian today sent a congratulatory message to L.F. Ramdat Misier, acting president of Suriname, hailing the tenth anniversary of the establishment of diplomatic relations between the two countries.

The telegram said, "The establishment of diplomatic relations between our two countries in 1976 ushered in a new period of development for our traditional friendship. Over the past ten years, friendly contacts between our two countries have been on the increase. And we have carried out useful cooperation in various fields and deepened our mutual understanding. "Both China and Suriname are developing countres, belonging to the Third World. We sympathize with and support each other in our struggle for safeguarding state sovereignty and national independence and for developing our national economies." President Li went on to say that to strengthen and further develop "the amicable ties and cooperation between China and Suriname fully accords with the fundamental interests of our two countries and is also the common desire of our two peoples." The Chinese president also expressed his confidence that with joint efforts, "even greater progress will undoubtedly be made in our bilateral friendly relations in the next decade."

Surinamese President Greets Li

OW191223 Beijing XINHUA in English 1147 GMT 29 May 86

[Text] Paramaribo, May 28 (XINHUA) -- Surinamese President L.F. Ramdat Misier today telegraphed Chinese President Li Xiannian to commemorate the 10th anniversary of the establishment of diplomatic relations between Suriname and China. "It is my pleasure to extend to you also on behalf of the government and people of Suriname best wishes for the well being and prosperity of your people," Ramdat-Misier said. "May the years to come afford us additional opportunities to furtherance our bilateral cooperation and so strenghten the ties of friendship between our peoples," he added. President Li Xiannian also sent a complementary message to the Surinamese president today.

Reception Marks Relations

OW290854 Beijing XINHUA in English 0748 GMT 29 May 86

[Text] Paramaribo, May 28 (XINHUA) -- Suriname Acting President Ramdat Misier and Chinese Ambassador to Suriname Yan Hongliang today expressed the hope that relations between the two countries will be further developed. Both were speaking at a reception here this evening given by Yan Hongliang to mark the 10th anniversary of the establishment of diplomatic relations between the two countries. About 200 peoples including Prime Minister Willem Udenhout attended the reception. To celebrate the 10th anniversary, a number of activities are scheduled to be held throughout the country. Last Saturday, Acting President Ramdat Misier presented a decoration with the Palm of Honor of Suriname to Chinese Ambassador Yan Hongliang or his efforts to promote China-Suriname relations. Earlier this week, the Suriname TV (STVS) showed a Chinese feature film "Black Dragon Flies" and a local newapaper carried a special article on China yesterday.

HU YAOBANG, CAPE VERDE'S PRIME MINISTER CONFER

OW291426 Beijing XINHUA in English 1418 GMT 29 May 86

[Text] Beijing, May 29 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang conferred here today with Cape Verde's Prime Minister Pedro Pires on the basic experience in the development of the Third World. On how to make the Third World countries properous and powerful, Hu listed four fairly successful guidelines based on the situation with over 100 of these countries.

He put the adoption of a policy suitable to its own conditions higher on the list. In view of the situation today, he said, the pursuance of a peaceful and non-aligned foreign policy that does not bind itself onto the chariot of a big power can help cut defence expenses, develop economy and win support from the people. Secondly, he noted, the government must provide job opportunities and means of subsistence for the people and gradually raise their living standards after independence. Moreover, he also stressed on the introduction of the policy of opening to the outside world and the maintenance of harmony and unity among different political parties, political forces and the people of different social strata.

Sharing Hu's view Pires gave a detailed account of the experience of his own country and of the entire African Continent as a whole. Since its independence, Cape Verde has, in the light of its own natural resources and favorable geological position, developed domestic economy, improved the livelihood of its people, and pursued a policy of non-alignment, he said. Successes have been scored to the welcome of the poeple.

"If a country fails to progress after independence, independence would be meaningless and, if the people's life after independence is worse than before, what is the significance of that independence," he added.

The Chinese party leader said he consented to his view. The meeting lasted one and a half hours.

YAO YILIN HOLDS PRESS CONFERENCE IN VANCOUVER

OW291000 Beijing XINHUA in English 0953 GMT 29 May 86

[Text] Vancouver, May 28 (XINHUA) -- Chinese Vice Premier Yao Yilin today praised the 1986 World Exposition of Transport and Communications in Vancouver as "very good" and "of great significance." He told a press conference this afternoon that he came to Canada mainly to attend expo's "China Day" as well visit the "Great country and the friendly people" of Canada. Yao visited the Canadian, Senegalese, Pakistani, Guinean and Japanese pavilions at the exposition this morning.

On Sino-Canadian relations, the vice premier said that the recent visit to China by Candian Prime Minister Brian Mulroney greatly enchance political, economic and cultural exchanges between the two countries. Mulroney's offer of a long-term, interest-free loan to China will boost investment by Canadian enterpreneurs in China and economic cooperation between the two countries, he added.

PARTY STYLE RECTIFICATION MEETING ENDS

'Good Beginning' Against Abuses

OW291408 Beijing XINHUA in English 1352 GMT 29 May 86

[Text] Beijing, May 29 (XINHUA) -- The Chinese Communist Party's campaign against selfish abuses of power by government and party officials has "made a good beginning" over the past five months, the PEOPLE's DAILY said today.

In a report on a week-long review of the campaign's progress by members of the party's Central Discipline Inspection Commission, the party newspaper said exposure and prosecution of serious abuses had let people to "see the party in a new light."

The review, which ended Wednesday, came in response to party leader Hu Yaobang's January 10 speech to 8,000 ranking government and party officials in which he asked them to lead the way against selfishness, excessive bureaucracy, and lack of respect for party policies. About 90 percent of the cases resolved since Hu's speech have been economic crimes. Many have resulted in criminal prosecution. Among the offenses have been illegal profiteering in scarce goods and in foreign currency, the paper said. According to the paper, Qiang Xiaochu, a leader of the Discipline Commission, assured participants in the closed-door review that violators of the law or party discipline will be punished evenhandedly "no matter who they are, no matter what their backgrounds."

Those attending agreed that "unhealthy tendencies" -- including selfish abuses, "serious bureaucratitis," willful ignorance of wrongdoing and other practices against party policy -- hurt the party's image, and that eliminating them will be a "protracted task," said the paper.

Exacerbating the problem of "individual unhealthy tendencies," Qiang said, were "institutional unhealthy tendencies," which involve government departments and other work units breaking the law to maximize gains for their organizations. For example, he said, some units have extorted extra money or property from other units wanting their materials or services for needed projects. "We must crack down on this as well," said Qiang. Ultimately, he told the party members at the review session, "we must rely on the people to eliminate the harmful activities which they oppose. We must encourage people to speak out when they see wrongdoing -- and we must follow their lead."

Improving the practices of party and government officials "can only help" the economic reform and the policy of opening to the outside world, he said. "It will make easier the work of China's modernization."

Progress Reviewed

OW291003 Beijing XINHUA Domestic Service in Chinese 1615 GMT 28 May 86

[By reporters Ding Shiyi and Zhang Yanping]

[Text] Beijing, 28 May (XINHUA) -- A meeting to exchange information on the rectification of party style in departments under the CPC Central Committee and the State Council, which opened in Beijing on 23 May under the sponsorship of the Central Discipline Inspection Commission, ended at Huairen Hall in Zhongnanhai this morning.

Responsible persons of 17 ministries and commissions gave oral or written speeches at the meeting. Proceeding from the actual conditions in their departments and viewing things from various angles, they exchanged information on the rectification of party style through prompt action since the convocation of an 8,000-strong meeting by central organs.

With party style rectification as an important item on their agenda, leading party groups of various ministries and commissions have made vigorous efforts to investigate and handle major or serious cases, and many leading comrades have personally handled such cases. As a result, the time of handling such a case can be shortened, and quick progress can be made. This is a common point reflected in the exchange of information. The leading party groups of the Ministry of Coal Industry; the Ministry of Water Conservancy and Electric Power; the Ministry of Agriculture, Animal Husbandry, and Fishery; and the Ministry of Railways particularly dealt with their work in this regard. In investigating and handling 10 cases, all of the responsible comrades of the leading party group in the Ministry of Coal Industry divided their work, each responsible comrades of the leading party group in the Ministry of Coal Industry divided their work, each responsible for certain cases. The secretary of the leading party group personally heard briefings on such cases, read and commented on materials on the cases, and took part in discussions on how to handle them. At the same time, the secretary of the leading party group required party committee secretaries in various units to personally give briefings on party style as well as on major cases, and no one else should do this for them. In investigating and handling cases, the secretary of the leading party group in the Ministry of Water Conservancy and Electric Power was the first to sign up for handling the most difficult case, and an important breakthrough was soon made in the long pending case.

The rectification of party style has effectively promoted improvement in the work style of government organizations and has ideologically strengthened workers and staff members. This is another point reflected in the exchange of information. In rectifying party style, the leading group of the General Administration of Customs regarded overcoming bureaucratism and improving leadership style as the emphasis of work for the various offices of the General Administration as well as for leading cadres at various levels. From January to April this year the five members of the leading party group of the General Administration, except one who remained in office to take charge of work, studied and investigated 33 basic customs units in Guangdong, Liaoning, and other places in order to promote the rectification of party style. The General Administration has 20 department directors and deputy department directors. Except for 1 on sick leave, 19 of them went to basic customs units to acquaint themselves with the situation in the rectification of party style there. While rectifying party style, the Ministry of Posts and Telecommunications has made vigorous efforts to improve the work style of various posts offices and the quality of its workers and staff members. The ministry has set a number of people as examples and commended them as such. The headquarters of the Chinese People's Armed Police Force, the Agricultural Bank of China, the Ministry of Chemical Industry, and the China Nonferrous Metals Corporation have achieved fairly good results in this regard.

At the meeting responsible persons of various ministries and commissions time and again mentioned this important point: The achievements made in party style rectification are consolidated and expanded by investigating and handling major or serious cases, correcting unhealthy tendencies, and conscientiously summing up experiences.

The State Physical Culture and Sports Commission, the Ministry of Metallurgical Industry, the China Association for Science and Technology, the Chinese Academy of Sciences, the State Economic Commission, the Chinese People's Association for Friendship With Foreign Countries, and the State Administration for Industry and Commerce have investigated and handled various cases, conscientiously summed up their experiences, and educated their workers and staff members to draw a lesson from such cases in order to raise their consciousness in upholding the fine party style and to develop the achievements made in the rectification of party style.

At today's session Second Secretary of the Central Discipline Inspection Commission Wang Heshou, Permanent Secretary Han Guang, and Secretary Qiang Xiaochu delivered speeches concerning the information exchanged at the meeting.

Wang Heshou spoke after Qiang Xiaochu and Han Guang gave their speeches. He said: During the past 4 months since the central meeting attended by 8,000 people early this year, the leading party groups and party committees of organs of the CPC Central Committee and the State Council, including all ministries and commissions, have made rather serious efforts to grasp the rectification of party style as an important task; that is to say, the work of building spiritual civilization has been placed high on the party committees' agenda. This is a leap in rectifying the leadership style of our leading cadres. This accomplishment is by no means less important and meaningful than the exposure and handling of several major or serious cases. We should have a correct assessment of this accomplishment. Leading party groups, party committees, and leading cadres of all ministries and commissions should persist in grasping the building of material civilization and the rectification of party style (spiritual civilization) simultaneously. They should not ignore the great progress they have made in ideology and in leadership style, and they should remove from their agenda the political and ideological work and the work of rectifying party style as time goes by.

Wang Heshou continued: Most of the major and serious cases we have now revealed are of a criminal nature; that is, they are problems beyond the scope of party style. However, these cases involved cadres who are party members, and their occurence was truly assisted by the unhealthiness of party style this is, the problems to be resolved in rectifying party style have been brought to light by these major and serious cases. Because of this, the central authorities have decided to grasp major and serious cases as a way to start the rectification of party style. This is absolutely correct, for it points out the crucial issue. In doing this, we should be persistent and should not relax our efforts. This is an extremely important step in rectifying party style and improving our standards of social conduct. In addition, the leading party groups and party committees of all ministries and commissions should, at the same time, pay attention to other problems concerning party style. At the moment, common and serious problems caused by unhealthy party style are the various unhealthy practices engendered from three ideologies -- individualism (mainly manifested by abusing official power for selfish ends), bureacracy (such as, turn a blind eye to unhealthy practices)m and liberalism. In this regard, the leading party groups, party committees, and leading cadres of all departments should not underestimate the seriousness of unhealthy practices in their own units. By summing up the present situation of unhealthiness in party style, we should note that individualism, serious bureaucracy, and liberalism are the ideological roots of the unhealthy practices.

Wang Heshou said: As far as building socialism is concerned, our laws, systems, policies, and regulations are still imperfect. Under these circumstances, we should have a criterion for judging what is right and what is wrong -- that is, the conception about right and wrong based on party spirit. Even if there were regulations to follow, a person without good party spirit may still take advantage of loopholes to engage in unhealthy practices. For this reason, our cadres who are party members are requested to set up laws in their own minds (to uphold party spirit). This is a significant matter concerning the prevention of unhealthy practices and the rectification of party style. Concluding his speech, Wang Heshou expressed the hope that the leading party groups, party committees, and leading cadres of all ministries and commissions would give party members eduation in party spirit and in social ethics (or work ethics) on the basis of the characteristics of various professions and trades and by applying typical examples. He also hoped that all departments would set up their standards for work ethics and trade discipline according to the characteristics of their fields of work and the salient features of their own units.

In his speech Han Guang said: This current meeting to exchange information on the rectification of party style is aimed at summing up our work in this regard step by step. From the speeches made by representatives of 17 departments, we realize that under the direct leadership of the party Central Committee over the past 5 months, the broad masses of cadres in party and discipline inspection groups of various departments have done a great deal of work and attained preliminary results in implementing the guidlines set by the meeting attended by 8,000 people. Party style has been further improved, a fine beginning in party style rectification work. This fine beginning is of great significance: 1) It has helped us gain valuable experience; 2) it has shown that people's confidence has strengthened; and 3) it has made us see once again the gigantic power of the party's three major work style.

Han Guang pointed out: All of us must not relax our efforts because our task remains heavy and arduous. Some departments have just begun to rectify the unhealthy trends in various trades. We must do a good job in fulfilling this year's three major tasks of combating unhealthy trends, conducting education on party spirit, and strengthening discipline. Therefore, we must carry out work resolutely and persistently, and under no circumstances should we relax our efforts. We must continue to exert ourselves, and do a still better job in rectifying party style and correcting unhealthy tendencies.

Han Guang pointed out: The key in rectifying party style is to match our deeds with our words. He said: There is a special feature in doing this year's work of rectifying party style and correcting unhealthy tendencies. That is, we have worked out and promulgated a series of necessary statements and regulations. The issue is that we must implement these statements and regulations, and ensure that our actions are as good as our words. This is an issue of matching our deeds with our words and integrating theory with practice. Our party has always relied on this to win confidence of the people and our friends. The next step of our work is to strengthen investigation and study, and pay attention to new situations. He said: In the course of carrying out reforms, opening the country to the outside world, and invigorating domestic economy, we must pay attention to the developments and changes as well as the new situations and new problems so as to remove obstacles and pave the way for smoothly carrying out our reforms.

Attending today's meeting were responsible persons of the central and state organs and the relevant departments totaling more than 900 people.

GUANGMING RIBAO VIEWS 'DOUBLE-HUNDRED POLICY'

HK300219 Beijing GUANGMING RIBAO in Chinese 21 May 86 p 1

[Article by Gong Yuzhi and Liu Wusheng: "How the Slogan 'Let a Hundred Flowers Blossom and a Hundred Schools of Thought Contend' Is Put Forward"]

[Text] The article written by Comrade Lu Dingyi "Historical Review of Putting Forward the Slogan 'Let a Hundred Flowers Blossom and a Hundred Schools of Thought Contend,'" which was published by GUANGMING RIBAO on 7 May, recorded important historical facts and put forward brilliant ideas. In this article, we would like to add some ideas according to historical documents.

(I)

When the Chinese Research Institute of Traditional Operas was set up in 1951, Mao Zedong wrote an inscription, reading "Let a hundred flowers blossom, weed through the old and bring forth the new." Actually when the Yanan Northeast Opera Research Institute was set up in 1942, he had already written the inscription "weed through the old and bring forth the new." In 1951 he added the inscription with "let a hundred flowers bloosom" as encouragement to all theatrical circles, not only to those of the Beijing opera (the northeast opera). At an enlarged meeting of the Political Bureau of the CPC Central Committee on 28 April 1956, Mao Zedong said: The slogan "let a hundred flowers blossom" has come from among the masses of the people. I do not know who set it forth (at the moment someone chipped in and said: Zhou Yang did). I was asked to write a few words, so I wrote "let a hundred flowers blossom, weed through the old and bring forth the new." According to what we know, Comrade Zhou Yang said to someone that the slogan "let a hundred flowers blossom" was set forth at a meeting of traditional operas; he thought it was a very good slogan and reported it to Comrade Mao Zedong.

The slogan "let a hundred schools of thought contend" was put forward by Mao Zedong in 1953 as a guide to the research of Chinese historical problems. In his article mentioned above, Comrade Dingyi gave an important account of the background of the slogan, saying that the slogan was set forth when a dispute arose between two Marxist historians Guo Moruo and Fan Wenlan on the issue of how to divide stages of Chinese ancient history. In 1953 the CPC Central Committee decided to entrust its Propaganda Department to set up three committees for studying problems concerning Chinese history, reform of Chinese written language, and teaching of Chinese language. On 26 July the department submitted a namelist of three committees and the CPC Central Committee approved it on 5 August. Mao Zedong also commented on candidates for heads of the three committees. Later on, when head of the committee for studying Chinese historical problems asked Mao Zedong for instruction on principles of studying Chinese historical problems, Mao Zedong said it was necessary to let a hundred schools of thought contend. This guideline was conveyed at a meeting of the committee. At an enlarged meeting of the Political Bureau of the CPC Central Committee in April 1956 and at the national propaganda work conference in March 1957, all interested parties spoke of the facts behind the slogan. In 1984 on the occasion of the 30th anniversary of starting publication of the journal RESARCH OF HISTORY, Comrade Liu Danian, a member of the committee for study of Chinese historical problems, also mentioned the question.

It is true that in the early 1950's, the two slogans were separately set forth, and the slogan "let a hundred schools of thought contend" was not publicized openly.

(II)

It was only in 1956 that our party defined "letting a hundred flowers blossom and a hundred schools of thought contend" as the basic principle governing our scientific and cultural work. it also expounded on the signficance of the principle systematically and gave wide-spread publicity to its implementation.

The CPC Central Committee made the decision when it discussed the report delivered by Mao Zedong "On the 10 Major Relationships" at an enlarged meeting of the Political Bureau of the CPC Central Committee.

Mao Zedong delivered the report on 25 April, which did not set forth the two slogans, but in which the meaning was implied.

When discussing the report, Lu Dingyi said problems relating to spheres of learning, the arts and technology should be discussed freely. At a meeting on the issue of intellectuals held in January 1956, Lu Dingyi pointed out: We should not keep the "lid" on the development of learning, the arts and technology. "Questions of right and wrong in learning, the arts and technology sould be freely discussed by intellectuals inside and outside the party. They should be allowed to display their abilities and adopt their own style, while different schools of thought should be allowed to exist simultaneously and new schools of thought should be allowed to appear (this is entirely different from letting bourgeois ideas run wild). They may criticize each other. However, such criticism should be based on facts; one should not just stick labels on others." At an enlarged meeting of the Political Bureau of the CPC Central Committee, Lu Dingyi repeated his views. Meanwhile, at a meeting of heads of propaganda departments at various levels, which was held after the meeting on the question of intellectuals, Lu Dingyi did not agree to the statement that "I.P. Pavolov belongs to socialism while Weierxiao [7614 1422 9876] and Western medical science fall under the category of capitalism and the traditional Chinese medical science comes from feudal society;" and "Thomas Hunt Morgan and Gregor Johann Mendel come under the category of capitalism while Trofim Lysenko and Ivan Michurin belong to socialism." He also said that it was wrong to stick labels of capitalism and feudalism on natural sciences.

When discussing the report delivered by Mao Zedong "On the 10 Major Relationships," some people pointed out the positive role of the inscription "let a hundred flowers blossom" written by Mao Zedong and mentioned the fact that Mao Zedong set forth the slogan "let a hundred schools of thought contend" for the establishment of the committee for studying Chinese historical problems. They also suggested that the two slogans be applied in settling questions of right and wrong in sciences and culture.

When delivering the concluding report at the enlarged meeting of Political Bureau of the CPC Central Committee on 28 April, Mao Zedong pointed out: In my view, "letting hundred flowers blossom and a hundred schools of thought contend" should be taken as our policy. We should let a hundred flowers blossom in the sphere of art and let a hundred schools of thought contend in the sphere of science. In terms of academic problems, we should not impose one particular academic view to ban another. If it is the truth, inevitably more and more people will believe it.

The policy of "letting a hundred flowers blossom and a hundred schools of thought contend" was then officially proclaimed at a supreme state conference.

At the supreme state conference, which was held on 2 May, Mao Zedong delivered a report "On the 10 Major Relationships." After people of various circles spoke at the meeting, Mao Zedong took the floor again. He said that the slogan "let a hundred flowers blossom and a hundred schools of thought contend" was put forward at an enlarged meeting of the Political Bureau of the CPC Central Committee. He also said: Spring has now come; we should let a hundred flowers blossom and should not only let some flowers blossom, and some not. This is what is called letting a hundred flowers blossom. Two thousand years ago, various schools of thought and their exponents during the spring and autumn period and the warring states period were allowed to contend freely. Now we need free contention too. He also said: Within the limits permitted by the state Constitution, different schools of thought, whether they are right or wrong, should be allowed to contend with each other. We should not poke our nose into their contention. We do not have a clear understanding of either Lysenko and non-Lysenko theory. There are so many theories and natural sciences. And even in terms of social sciences, there is this and that school of thought. They must be allowed to speak freely and state their views in journals and newspapers.

On behalf of the CPC Central Committee, Lu Dingyi delivered a speech entitled "Let a Hundred Flowers Blossom and a Hundred Schools of Thought Contend" to intellectual circles in Huairentang Hall on 26 May. He started his speech by pointing out: "The CPC stands for letting a hundred flowers blossom in literary and artistic work and letting a hundred schools of thought contend in scientific work. This policy was proclaimed by Chairman Mao at the supreme state conference." Lu Dingyi's speech represented the party's most detailed and clear exposition of this policy at that time. People know the speech relatively well because it was published openly. However, many young people do not have any idea of it. It is worth reading for them; therefore they can understand well the efforts made by our predecessors to explore new things. The content of the statement made by Mao Zedong at the supreme state conference on 2 May as mentioned above was made known in the explanatory note of "letting a hundred flowers blossom and a hundred schools of thought contend" in "annotations on the resolution on certain questions in the history of our party since the founding of the PRC."

(III)

In this very period,, Mao Zedong also wrote several letters relating to the slogan "let a hundred flowers blossom," which have been collected in the "Selected Letters of Mao Zedong."

On 19 February 1956, Mao Zedong wrote a letter to Liu, Zhou, Chen, Peng Zhen, Xiaoping, Chen Boda, and Dingyi. The letter was actually a reply to a Soviet scholar who was then teaching in China, who once said to his Chinese colleagues that he did not agree to what Mao Zedong said on the world outlook of Sun Yat-sen in his book "On New Democracy." In the letter, Mao Zedong wrote: "I do not think, that we should stop such free talk. Everybody has the right to speak freely. This is just an expression of different views on academic problems, it has nothing to do with damage to prestige."

The letter made clear an important question that contending with all leaders on academic problems is permissible. It also meant that everyone is equal before the truth in academic discussions.

Another letter was the one that Mao Zedong wrote to Zhang Jichun, deputy head of the Propaganda Department under the CPC Central Committee on 18 April 1956. The letter was written on a transcript of conversations made with a responsible party cadre of an East European country, who spoke of reactions evoked among geneticists of his country to imposition of Lysenko's theory. In the letter, Mao Zedong noted: "Attention must be paid to this transcript of conversations. It is hoped that the Propaganda Department under the CPC Central Committee will discuss the problem and invite responsible comrades of the Academy of Science and other departments concerned to attend the discussion. And this document must be passed to Comrade Lu Dingyi when he comes back from abroad." Afterwards, Lu Dingyi proposed that the Academy of Science and Ministry of Higher Education sponsor a forum on genetics in Qingdao in August to implement the policy of "letting a hundred flowers blossom." After attending the forum, professor Li Ruqi wrote an article entitled "My Views on the Policy of Letting a Hundred Flowes Blossom From the Angle of Emetics," which was carried in GUANGMING RIBAO. In a letter to Hu Qiaomu on 30 April 1957, Mao Zedong suggested that RENMIN RIBAO reprint the article with a new headline "The Only Way to The Development of Science" and the original headline be used as subhead.

This headline "The Only Way to the Development of Science" represented a simple, clear and profound summation of the policy of letting a hundred flowers blossom.

(IV)

It was in his report "On the Correct Handling of Contradictions Among the People" delivered in February 1957 and the "speech at the CPC's national conference on propaganda work" delivered in March that Mao Zedong started elaborating the policy of "letting a hundred flowers blossom and a hundred schools of thought contend." During the conference on propaganda work, the central Propaganda Department collected some questions (33 altogether) with regard to ideological work, and printed and distributed them to comrades participating at the meeting for reference. When reading the document, Mao Zedong ticked off many questions and annotated them.

Beside the question that some people think that non-Marxist ideas should not be allowed to contend in the party school because of its special characteristics, Mao Zedong wrote: "This does not seem right; why should we be afraid of contention?"

Beside the question that some people believe that it is not permissible to take a skeptical attitude toward classical works, Mao Zedong wrote: "Why not?"

Beside the question of whether the party's policies are open to debate, Mao Zedong wrote: "Why are the party's policies not open to debate?"

Beside the question of whether party members are allowed to doubt or oppose certain tenets of Marxism and whether a party member who seriously doubts Marxist-Leninist philosophy, economics, and theories about socialism can be kept on within the party, Mao Zedong wrote: "The former is affirmative and the latter is negative."

And beside the question of how to get rid of dogmatism in teaching Marxism and Leninism, Mao Zedong wrote: "The only way is to encourage criticism and debate."

All these comments made by Mao Zedong had substantial ideological content and manifested confidence and boldness of vision. Meanwhile, they were also something important added to his report "On the Correct Handling of Contradictions Among the People" and the "Speech at the CPC's National Conference on Propaganda Work."

(v)

In looking back over the past 30 years, people are of the opinion that 1956 was a most important year in our history since the founding of the People's Republic, and a year in which the Chinese Marxists achieved marked results ideologically in exploring the possibility of building socialism with Chinese characteristics. It was expected that the nation-wide socialist transformation would have been completed in 1956, and how to build socialism with Chinese characteristics was already placed on our agenda. Soviet criticism of Stalin alerted us not to borrow indiscriminately from foreign experience and taught us that we should advance effective policies to build socialism of our own style. In the past 7 years, we have accumulated a wealth of experience, both positive and negative, in this aspect. Dating back to 1956, at the supreme state conference in January, Mao Zedong pointed out that the Chinese people should have a long-range plan and strive to put an end to backwardness in the economic, scientific and cultural fields in several decades. At the meeting on the question of the intellectuals, Zhou Enlai pointed out that our intellectuals had become a part of the working class and called on them to march toward the modernization of science. In April Mao Zedong delivered the speech "On the 10 Major Relationships" and set forth the "double-hundred policy." In July Zhou Enlai delivered a speech "Dictatorship Must Continue and Democracy Must Develop." In September, at the eighth national party congress, Liu Shaoqi, Zhou Enlai and Deng Xiaoping respectively delivered reports on the topics of major contradictions in China, a vigorous and steady plicy for economic construction, and the building up of a party in power. At the eighth national party congress, Chen Yun made a statement that in the socialist economy there must be a main body together with some complementary systems. Also in 1956 we had already started to prepare the theory that there are contradictions among the people in socialist society as well as the report "On the Correct Handling of Contradictions Among the People," which Mao Zedong was to deliver in February of the following year. All this put forward a large number of new and important theoretical problems with a view to exploring and creating a series of new policies of building socialism. In March 1957 Mao Zedong pointed out: "The current policies will make our literature and art, science and technology prosperous and keep our party with exuberant vitality. As a result, the people's cause will flourish and China will become a powerful and lovely country." This demonstrated the wish of the whole party and the people of the whole country.

It must be noted that the efforts made by our party since the 3d Plenary Session of the 11th CPC Central Committee to explore the possibility of building socialism with Chinese characteristics are the continuation of the efforts made in this respect in 1956.

After 1957, the history of our country underwent a winding course. There were positive experiences, but accumulated mistakes led to the 10 years of internal disorder -- the "Cultural Revolution." Many efforts made in 1956 were criticized or distorted. All costs we paid were huge and appalling and the lessons we drew were painful.

Therefore, on the one hand, we must have a good understanding of the ideological theories created in 1956 and make continued efforts; on the other hand, we must find out why the efforts made in 1956 cannot be carried on the sum up experiences so that we will more consciously make sustained efforts to blaze new trails and we will really be able to build China into a powerful and lovely socialist country.

HONGQI HOLDS FORUM ON 'DOUBLE HUNDRED' POLICY

HK300817 Beijing GUANGMING RIBAO in Chinese 22 May 86 p 1

[Report: "HONGQI Editorial Department Holds Forum on 'Double Hundred' Policy"]

[Text] At a recent forum held by the HONGQI editorial department, some literature and art theorists, critics, writers, professors, and literature and art editors called on people of the same trade to implement with concrete actions the policy of "letting a hundred schools of thought contend" and to stimulate the prosperity of socialist literature and art, as well as academic development.

More than 40 people from literature and art circles attended the forum. The participants held: A pressing task at present is that critics should dispel all misgivings, shake off all fetters, participate in the contention, and implement the "double hundred" policy by writing more and better commentaries, and thus make contributions to the building of a socialist spiritual civilization.

After reviewing the implementation of the "double hundred" policy over the past 3 decades and the experiences and lessons gained in the course of its implementation, some comrades attending the forum pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee, the "double hundred" policy has been implemented most satisfactorily. However, because the "double hundred" policy has been subjected to constant interference over the years, the influence of "leftism" still occurs from time to time and both parties to the contention still have a lingering fear. In order to change this state of affairs, it is necessary to create more satisfactorily a relaxed and harmonious atmosphere suitable to the prosperity of literature and art and the development of science. In their speeches, some comrades hoped that critics and writers will trust one another, be extremely open-minded, and, on the premise of courageously upholding the truth and correcting their mistakes, be strict with themselves and broad-minded toward others and that their words and acts in the contention will not be detrimental to the relaxed and harmonious atmosphere.

Through many years of practice, the comrades attending the forum unanimously held that the key to satisfactory implementation of the "double hundred" policy lies in leaders. All comrades earnestly hoped that the relevant leaders at all levels will set an example in implementing the "double hundred" policy.

Many comrades pointed at the meeting that while stressing a relaxed and harmonious atmosphere, we should continue to adhere to the socialist orientation under the guidance of Marxist ideology and instill a stronger sense of social responsibility among literature and art workers. Our literature and art serve the people and socialism and, therefore, the guiding position of Marxism is unshakable. Some comrades said that, with regard to the literature and art ideological trends and the social ideological trends in the West, it is necessary to study and analyze them with a Marxist stand, viewpoints, and methods. We should not blindly copy them, still less should we regard them as a guiding idea and replace the guiding position of Marxism with them.

In their speeches, the comrades also pointed out: In the course of implementing the "double hundred" policy, it is absolutely necessary to foster a good study style, to advocate a scientific approach of seeking truth from facts, and to persist in linking theory with practice, particularly with the practice of reform, rather than to close ourselves in a room and to be keen on inventing and creating new "systems."

JINGJI RIBAO COMMENTATOR WAGES ACADEMIC FREEDOM

HK290921 Beijing JINGJI RIBAO in Cinese 24 May 86 p 2

[Commentor's article" "May All Kinds of Flowers Blossom in Our Country's Academic Garden"]

[Text] Thirty years have passed since the party Central Committee and Comrade Mao Zedong put forward the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend." The policy of letting a hundred flowers bloom in art and letting a hundred schools of thought contend in the academic field is the fundamental policy of our party and country to make science and art flourish. It embodies the protective laws of socialist scientific and cultural development.

For some time after the policy of "letting a hudred flowers bloom and letting a hudnred schools of thought contend" was put forward in 1956, the academic fields of our country were full of life. However, because of the interference of "leftist' ideas, such good times did not last long. Beginning in the summer of 1957, one political movement occured after another. These political movements and, in particular, the decade of turmoil, made it impossible to implement this policy.

Since the 3rd Plenary Session of the 11th CPC Central Committee, the situation of implementing the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend" has greatly changed. The discussion in the academic circles about the idea that practice is the sole standard for testing truth and questions concerning the purpose of socialist production, the planned commodity economy, and reforms of ownership, and so on, marked the arrival of the second spring in the academic fields of our country.

The positive and negative experience in the past 30 years has proved that when the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend" was correctly implemented, a flourishing scene would appear in the academic fields, and when this policy was not correcty implemented, an apathetic atmosphere in which "ten thousand horses were all muted" would prevail. In the past 30 years, the intellectuals of our country have gone through thick and thin and have traversed a tortuous course in implementing the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend." We should seriously sum up such historical experience.

The tide of a new technical revolution has now appeared in the world and our country is in a great era of economic structural reform and socialist modernization. Development of the social productive forces and changes of the economic structure have a very strong impact on the traditional customs, ideas, and concepts and political and cultural reforms have also been put on the order of the day. The practice in reform and construction have given rise to a series of new questions we should dare to explore. We should have the courage of abandoning outdated patterns and critically absorb the scientific theories of other people. The practice in reform and construction has also accumulated a series of new experience which we should sum up scientifically and raise to the level of theory.

In order to meet the needs of the great era, we must further implement the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend" and create a new situation of flourishing academic work in our country.

In order to implement the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend," we must ensure democracy and freedom in academic work and create a good academic environment. In scientific research, there are no forbidden zones, no idols, and no pinnacles. We should allow and encourage the formation and development of different schools. In a socialist society, different academic views are usually differences in understanding and do not involve the nature of class struggle. Everyone is equal before the truth. In academic research, we must advocate freedom of independent thinking, freedom of debate, freedom of criticism, and freedom of setting forth, defending and reserving one's views. Differences in academic views can only be resolved through discussion, criticism, countercriticism, and self-criticism. We must never arbitrarily raise academic problems to the level of political problems, put political labels on others, or use the big stick on others. Only by further eliminating the influence of the feudal partriarchal system and the practice of "one person alone has the say," can we make academic work flourish and produce outstanding talents.

In order to implement the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend," we must have a correct understanding of the contingent of intellectuals in our country. The intellectuals in our country are part of the working class and they have been tempered in the socialist revolution and socialist construction. Many of them suffered much during the past political movements, but they are still working one heart and one mind with the party. History has proved that this contingent is reliable. Leaders at various levels should provide them with good conditions for academic research, resolve problems related to their livelihood and income, and materially and spiritually implement in earnest the party's policy toward intellectuals.

The key to implement the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend" lies in the leadership. We must reform the managerial system and leadership methods in academic work. We must be good at exercising ideological leadership, create a freer environment of the academic circles, and create an atmosphere of unity, harmony, mutual trust, and mutual understanding. We must advocate and cultivate the style of study of integrating theory with practice and noble professional ethics and values.

Theories come from the practice of reforms and construction, and the era of reforms and construction requires talented people. Let us better implement the policy of "letting a hundred flowers bloom and letting a hundred schools of thought contend" so that the academic circles can better serve the reform of the economic structure and socialist modernization and that all kinds of flowers and rich fruits will appear in our country's academic garden. Our era will certainly become an era in which people of talent emerge in large numbers!

PART III OF LIAOWANG ARTICLE ON TECHNOLOGICAL IMPORTS

HK280729 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 20, 19 May 86 pp 12-13

[Article by Cao Jiarui: "China's Technological Imports -- Present Status and Problems (Part III)" -- final installment]

[Text] Stepping Up Marcoeconomic Control Depends on Intensifying the Reform of the Economic Structure

The necessity of stepping up the macroeconomic control of the PRC's technological imports is a universal and urgent demand at the present time. In regard to this problem, the decision of the CPC Central Committee on reform of the economic structure and the Seventh 5-Year Plan for economic and social development recently adopted by the NPC have both pointed out the direction and determined the principles therein.

At present the PRC's technological imports are not without macro-control. The pattern of the macro-control is built on the foundation of the existing economic structure. The special points are: a focus on planned control as the main body, and governments at various levels firmly controlling the power of examining and approving the projects and the power of distributing the amount of foreign exchange; technological imports are placed under the direct intervention and command of the government organs; but, because of the existing demarcation in the structure of the spheres of control of the departments and the regions, the macro-control of technological imports has in reality become a power structure system with complex and complicated relationships which are reciprocal but not coordinated. With respect to enterprises, this system is manifested by a high degree of centralization, of separate control exercised by the individual governments; whereas insofar as the state is concerned, it is manifested in a relative dispersion between the departments and the regions. With the lack of a market feedback mechanism and the shortage of a method of systematic and scientific work, the efficiency of such a system is very low and the decision-making on technological imports, regardless of whether they are of a macro or micro nature, is frequently influenced by the wishes of the decision-makers (collective or individual) of the government organs concerned. Aside from being prone to boasting and exaggeration and to negligence in their duty, the decision-makers, (collective and individual), due to their own limited experience and knowledge, may not necessarily be able to make the correct decision. To be responsible to the state and the people, decision-makers have to spend much time and energy, use various methods, including investigation, studies and calling meetings to discuss and to deliberate so as to make clear many concrete details on the projects concerned, before they can write down their approval or disapproval. These concrete details should have been clarified first by the enterprise taking charge of the projects but due to the demarcation between the regions and the departments, much time and energy must be spent on handling, mediating and adjusting the redoubled contradictions arising from the conflict of power and interests. Moreover, it is necessary to devote much time and effort to intervening and taking charge of certain affairs of a purely business nature. Under such conditions, government organs at various levels will naturally be kept busy by sundry affairs and by large amounts of duplicate work, perhaps ceaselessly engaged in routine matters. They have no time, energy or the proper conditions to truly contemplate, study and solve macro-problems.

Hence, the key to strengthening the macro-control of technological imports necessarily lies in liberating government organs from clumsy and complicated matters so that government organs at various levels can truly display the role of organizing the economy as a whole and perform a good job in macro-promoting, adjusting and controlling the work of technological imports.

However, only through intensifying the reform of the economic structure is it possible to gradually liberate government organs at various level from complex and complicated business tasks. That is to say, strengthening the macro-control of technological imports can only be fundamentally brought about along with the progress of reform of the economic structure. For the present, in order to overcome certain disorder, the adoption of certain emergency measures is necessary and may at least accomplish certain short-term effects.

Although macro-control of technological imports can only follow reform of the economic structure and become gradually strengthened, reform of the economic structure cannot automatically strengthen the macro-control of technological imports. Macro-control of technological imports must still have, and exercise, its own measures and conditions. It we do not start to study and prepare for these measures and conditions early and at present, then, following the intensified development of reform of the economic structure, macro-control of technological imports not only will not be strengthened but also may play a counter-role in the reform of the economic structure, bringing about certain passive effects.

How To Determine the Strategic Targets of Technological Imports

An exceedingly important problem concerns the strategy of technological imports. Technological imports constitute one of the measures to realize technological transformation, but not the only measure. The technological progress of various industries and trades, the improvement, upgrading and replacement of various categories of products, and the technological transformation of various enterprises do not necessarily call for technological imports. Importation of technology from abroad is for the purpose of strengthening China's ability to achieve regeneration by its own efforts. This strategic objective should never be shaken. This being the case, in order to help technological progress and to be able to earnestly strengthen the ability to achieve self-regeneration, and speaking comprehensively from the whole country, from the individual industries and enterprises and from the various regions, where should the breakthrough points lie? This is a strategic question of a fundamental nature. Through the years, it was not true that the quesiton had not been discussed or probed into at all, but no strategic arrangements had been made that have been accepted and followed by everybody. Judging from the current phenomena, in regard to the current technological imports in the PRC, the most outstanding trend is everybody making an advance abreast, "all neglected tasks being undertaken" and "blossoming on all fronts," but hardly any real strategic arrangements can be found.

Whether or not a country has the ability to achieve self-regeneration depends on whether or not its machine building industry (referring to the machine building industry in the broad sense) is able, basically able, (naturally not 100 percent) to supply the equipment, including equipment needed for imported foreign component technology, required for development of the country's national economy and technological progress.

In order to achieve this strategic target, it will be necessary to consider the following five problems in the work of technological imports:

1. The relationship between the technological imports of the various industries and trades and the technological imports of the machine building industry;

2. In regard to the technological imports of the various industries and trades, the transition from import of whole-set equipment to the import principally of components;

3. In regard to the technological imports of the machine building industry, how to maximize its own capacity of providing full-set equipment;

4. In regard to the relationship in supply and demand between the machine building industry and the various industries and trades, how to develop the necessary advisory and contracting ability in engineering; and

5. In regard to both the machine building industry and the various industries and trades, and in respect of technological imports, how to consider replacing imports by, and proceeding in the direction of, expanding exports.

Regarding all the above problems, only after the government organs have organized, devoted great efforts to, carefully studied and conducted meticulous investigation, research and forecasting, can strategic arrangements be made.

Since the conditions of the various industries and trades differ from each other, they should each have their own strategy. For example, the PRC's automobile manufacturing industry must be vigorously developed. At present the PRC has over a hundred odd motor vehicle factories. They are spread throughout various provinces, municipalities and districts in the country. But their specialization is extremely low. Basically they are complete automobile making plants, averaging a production capacity of only several motor cars per day! If a thoroughgoing reorganization according to the principle of a high degree of specialization is not made of the PRC's automobile manufacturing industry and the importation of large quantities of foreign motor vehicle manufacturing technologies to be scattered piecemeal to various localities is allowed, then the PRC's automobile industry should have its own strategic arrangements for technological imports.

Since conditions differ in different localities, there should be different strategies for different localities. For example, one province may enjoy superiority in making engines, but does not possess the essentials or basics for manufacturing automobiles. Then there is no reason for the province, just because car making is a "hot-item," to start from the beginning and develop the automobile industry. Rather, it should bring its superiority into full play and, by means of technological imports, strengthen its production of engines.

In short, strategies are important. Only when there is correct strategic guidance is it possible to formulate a good long-term plan for technological imports.

A Long-Term Plan Ensures the Development of Importation Work

A long-term plan for technological imports is an outline of actions for the realization of strategic arrangements. It can only be a guide and not mandatory. The role of a long-term plan lies in ensuring the stable development of the work of technological import, and avoiding great ups and downs.

Importation of foreign technologies requires the spending of foreign exchange. It is not at all difficult to figure out how much foreign exchange the state will spend on importing technologies during the Seventh 5-Year Plan period. A long-term plan should solve the problem of how much work to be done with how much available funds. In the long-term plan, outside of certain specially large projects, it is not necessary to list all at once the large, medium-sized and small projects, since as a matter of fact they cannot be clearly listed. However, a long-term plan should specify the major targets in accordance with the strategic arrangements and leave some room for subsequent readjustments.

The selection and picking or leaving out of concrete projects is not determined by whether or not they are "listed" in the plan. One of the defects of the PRC's planning structure is: once a project is conceived and is listed in the plan book, then it becomes one that must be carried out. In reality, the selection, picking or leaving out of a project must first of all be determined by a study of the project's feasibility. This belongs to the micro-sphere. We should require the enterprise (including the advisory organ entrusted by the enterprise) to prepare beforehand a study of the project's feasibility. At present, the studies on the feasibility of many of the PRC's projects have been extremely simple and crude. In reality, they are but expansions of the project's letter of proposal or recommendation and basically not a study of its feasibility. The state should call upon the relevant government organs to formulate regulations on the study of the feasibility of projects, concretely stipulating the contents and intensity of the study and the quality standard.

It Is Urgently Necessary To Set Up a Marco-Structure for Technological Imports

The strategic arrangements for technological imports, the realization of long-term plans and the selection, picking or leaving out, of projects cannot simply rely on administrative measures and the direct intervention and command of government organs but should rely mainly on economic measures such as taxation, credits and loans, foreign exchange control and necessary subsidies from the state. In the sectors of taxation and credit and loans, the PRC has many policy-schemes. The problem is that these measures are broad ones and are being carried out in matter-of-fact manner. For example, take the provisions for tax reduction or exemption on measures like compensatory trade, "utilization of foreign capital," and technological transformation of existing enterprises. They are broadly and generally applied and their broad and casual application does not manifest a strategic purpose, does not support the major points, and does not accomplish good results. Therefore, it is extremely necessary to restudy and reformulate these policy measures.

China's foreign exchange reserves must be subjected to rigid control. Unfortunately, a drawback in the existing foreign exchange control system is that it lacks flexibility in the allocation of foreign exchange to departments and regions and in making adjustments. This is a situation that requires urgent improvement.

It is essential that government organs retain a definite degree of power in examining and approving project undertakings. But the major points of the government's examining and approving project proposals should be to analyze and assess the project's functions in, and contributions to, the whole economic structure and to society. That is to say, government organs should assure the role of the state being the organizer of the whole economic structure and should macroscopically, and on the basis of the whole structure, assess the economic and social benefits of the projects.

In particular, when the financial benefits of a project are good but the economic and social benefits are not good, or when its financial benefits are not good but the economic and social benefits are good, government organs should take a macro-approach and make a decision on the selection, taking or forsaking of the project. In carrying out an analysis of economic and social benefits, naturally we cannot entirely reject qualitative considerations and arguments but government organs should learn to make quantitative analysis. At present, the quantitative analysis of economic benefits has already developed into a systematic and scientific methodology and the quantitative analysis of social benefits is also developing. On both of these two issues, the PRC's research is still rather scanty. Government organs, for the sake of endowing themselves with the tactics of examining and approving projects, should forthwith organize their forces, intensify first the study of the method of quantitative analysis of economic benefits, study and formulate "shadow prices," and at the same time begin the study of a method of quantitative analysis of social benefits.

Strengthening the macro-control of technological imports signifies the elevation of the level and quality of the work of government organs. The macro-control of technological imports cannot depend for their solution or realization on making certain readjustments in the form of redistributing power in the existing power structure. At the moment, it is extremely urgent that the relevant government organs should, integrating the spirit and principle of the reform of the economic structure, systematically study the problem of establishing a macro-structure for technological imports and, in a planned manner, gradually build up various kinds of work.

ZHONGGUO XINWEN SHE ON SCIENTIFIC, TECHNOLOGY PLAN

HK230336 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0758 GMT 21 May 86

[Roundup by reporter Dai Yaping: "China's Spectacular Plan for Tackling Key Scientific and Technological Problems" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 21 May (ZHONGGUO XINWEN SHE) -- China is pursuing a colossal plan for tackling key scientific and technological problems in a down-to-earth manner. The fulfillment of the plan will have an inestimable bearing on China's future science and technology as well as economic life.

Although it has been neither given too much attention nor crowned with such conspicuous names as "the star wars plans" or "Eureka," this plan embraces various fields like agriculture, energy resources, communications and transportation, raw materials, engineering and electrical equipment, the production of consumer goods, new technologies, and so on. With no military items, this plan is nothing short of a very sophisticated study assignment. The manufacture of robots, laser and computer technologies, and so on, covered by the Eureka plan are also subjects for study in the Chinese plan for tackling key scientific and technological problems.

The implementation of this plan began in 1983. In view of the reasons that China's scientific and technological levels are relatively low -- the standards of scientific and technological personnel are uneven, the scientific and technological research institutes are scattered, and so on -- it is really a good method of raising China's scientific and technological levels and promoting economic development to tackle key scientific and technological problems by pooling the wisdom of the best scientists in the country under unified state plans and with the financial support of the government.

Three thousand eight hundred and ninety-six items of the first plan for tackling key scientific and technological problems under the "Sixth 5-Year Plan" have attained important achievements, of which, 3,100 items have already been applied in key construction projects, and technical transformation and industrial and agricultural production, yielding a direct economic benefit of over 10 billion yuan.

This plan for tackling key scientific and technological problems has chosen the most urgently needed items in China's economic development as the tasks to be tackled by concerted efforts. Of the 38 key scientific and technological items completed over the last 3 years, 16 items fall under the categories of energy resources, communications and transportation and the exploration of new materials, including the exploitation of coal, long-distance pipe-coaling technology, new-type construction materials and complete sets of technology for heavy duty trains.

It is noteworthy that China has made headway in some key burgeoning technologies. For example, some breakthrough-like progress has been made in the research of microelectronic and information technologies, Chinese-made computers, 32-bit microcumputers as well as large and medium-sized computer systems. Major breakthroughs have been made in biology, like the production of diarrhea vaccines for young stock, insulin, cephalosporin acylating agent, and so on. Good headway has also been made in optical fibre communication, nuclear, laser, remote sensing, superconducting technologies, and other fields.

Not long ago, China disclosed to the outside world its plan for tackling scientific and technological problems under the "Seventh 5-Year Plan." In this new plan, China has determined 76 key items to be developed, a 100 percent increase over that of the "Sixth 5-Year Plan," including important technical equipment like 600,000-kilowatt thermopower generating equipment, superhigh pressure universal electric transmission and tranformer sets, units of 10-million-ton large-scale mining equipment for opencut mines, and so on. Among these items to be developed are also bioengineering, new materials, robots, laser and remote sensing technologies and other burgeoning technologies, as well as other social development items like research into hepatitis, cardiovascular and cerebrovascular diseases, endemic diseases, traditional Chinese medicines, family planning, and eugenics. Besides, more than 50 state-level open-type laboratories focusing on the basic research of genetic engineering, zymological engineering, crystal materials, software engineering, microcirculation, cancer genes, veterinary biology, and other technologies will be built.

Judged by the items listed, this is a very confident plan closely related to the realization of China's economic take off within this century. Five years later, its achievements will add new impetus to China's future development.

SCIENCE, TECHNOLOGY WHITE PAPER TO BE ISSUED

OW251330 Beijing XINHUA in English 1202 GMT 25 May 86

[Text] Beijing, May 25 (XINHUA) -- China's State Science and Technology Commission will issue its No 1 white paper -- "Guide to China's Science and Technology Policies".

According to the commission, the white paper, running to 500,000 Chinese characters, covers policies and legislation, research and development, commercialization of research results, environment and resources, and statistics.

Prefaced by Song Jian, minister in charge of the commission, the white paper records the gists of China's principal policies on science and technology development since 1979 and the basic facts on major achievements, research in natural sciences and development of high technology and the technical market.

It will also publish for the first time the date obtained from the first science and technology survey in China.

The issuance of the white paper, a commission official said, aims at strengthening overall guidance to science and technology development in China and coordinate steps of enterprises and research institutions.

The paper will be published by the science and technology literature publishing house.

SATELLITE TV RECEIVING STATION TESTED IN GUIZHOU

OW281213 Beijing XINHUA Domestic Service in Chinese 0016 GMT 28 May 86

[Text] Guiyang, 28 May (XINHUA) -- A ground receiving station for satellite-transmitted television with a C-band of 6.2 meters, together with its antenna and receiver, all developed and built domestically, passed the ministerial-level examination recently in Dunyun City, Guizhou Province.

According to the tests conducted on the spot, this ground receiving station for satellite-transmitted television and its antenna and receiver all hold the technical lead in our country as far as their performance is concerned. Through the use of this kind of equipment, television progams transmitted by a satellite over the equator of the earth can be received directly even in such remote mountain areas as Jagdaqi of Heilongjiang, Ulan Hot of Nei Monggol, and Lhasa of Xizang, while the picture received is clear and the sound is good.

This set of ground receiving station equipment was developed and built by the Hongqi Machinery Plant, the Yonghua Radio Instrument Plant, and the Changhong Machinery Plant for the purpose of solving the difficulty of receiving Central TV's programs in old revolutionary base areas, minority areas, and border areas. Now mass production of this equipment has already begun.

JOINT VENTURES TO USE METRIC WEIGHTS, MEASURES

OW270822 Beijing XINHUA in English 0616 GMT 22 May 86

[Text] Zhengzhou, May 27 (XINHUA) -- Sino-foreign joint ventures in China are required to use the metric system when they sell their products on the domestic market, a senior Chinese official has said.

The system must also be used in technology and equipment imports, Meng Zhaoqian, deputy director of the State Bureau of Weights and Measures, said at a recent national work conference held in Keifeng, Henan Province. As a matter of fact, he added, Shanghai and Shantou starting this year have banned the import of equipment using the British system. Light industry will first use metric measurements on packing, trademarks and directions.

According to a decree issued by the State Council in 1984, the metric system will be used on all new equipment designed and produced as of this year, so that the British system will gradually be phased out. Local governments have spent more than 20 million yuan on changing over to metric and standard instruments in the past two years, and the work is expected to be completed by the end of this year, Meng Zhaoqian added.

400 SELF-CONTAINED INDUSTRIAL UNITS PLANNED

OW271644 Beijing XINHUA in English 1434 GMT 27 May 86

[Text] Beijing, May 27 (XINHUA) -- China plans to manufacture 400 self-contained industrial units to implement the country's Seventh Five-Year Plan (1986-1990), He Guangyuan, vice-minister of machine-building industries, told XINHUA today. He called for international cooperation for designing and producing the key parts of these units, adding that his ministry will also promote cooperation with other ministries for the same purpose.

Among the self-contained installations planned are 200 generating units for 21 hydroelectric power stations and 60 nuclear power plants, the equipment for a 300,000-kilowatt nuclear power station, the smelting and steel rolling equipment for retooling 20 existing iron and steel works, and 11 units able to produce up to 2,000 tons of cement per day.

Also anticipated is the equipment needed for the second phase of construction of the Baoshan steel works near Shanghai, the vice-minister said. Most of the 400 units, to be produced by China's 500 factories, will be up to world standards, he said.

POSTS MINISTRY URGES CORRECTING IRREGULARITIES

OW261717 Beijing XINHUA Domestic Service in Chinese 1042 GMT 24 May 86

[By reporter Li Anding]

[Excerpts] Beijing, 24 May (XINHUA) -- The Ministry of Posts and Telecommunications today announced five concrete objectives of its efforts to improve the work style of posts and telecommunications offices.

The Ministry calls on all posts and telecommunications offices to attain the following five objectives before National Day.

1. to basically stop the evil practice of telecommunications workers abusing their power to extort money from, accept gifts or dinner invitations from, or make things difficult for customers;

2. to basically solve the problem of some postal and telecommunications workers who steal newspapers and periodicals from the mail or violate regulations to disconnect normal telecommunications;

3. to reduce drastically the cases of embezzling business earnings, remittance, newspaper and periodical subscription fees or rural telephone fees; stealing postal parcels or mail; and opening, hiding or destroying mail or telegrams;

4. to clear up heavy mail backlog and reduce wrongly delivered mail, and to cut back major telegram errors by more than 30 percent as compared with the corresponding period of 1985; and

5. to remarkably improve service attitude and seriously handle customers' complaints and postal inquiries.

ABOLISHING LOCAL ECONOMIC RESTRICTIONS URGED

OW251904 Beijing Domestic Service in Mandarin 1100 GMT 24 May 86

[Excerpts] A letter from Chen Liansheng, one of this station's reporters, states that "some restrictions that block up channels of circulation must be eliminated."

The letter says: This reporter recently learned from some prefectures and counties in western Hubei and eastern Sichuan Provinces that to protect local interests, some counties, districts, and departments concerned in the mountain regions have levied charges on local farm and sideline products such as hogs, tea, tangerines, edible fungus, and other items on the pretext of providing assistance or protecting natural resources. The levies in general amount to 5 or 10 percent of the total value of the commodities, but sometimes go as high as 20 percent. Some localities have even issued special documents stipulating that without paying natural resource levies, commodities will not be perimitted to leave the locality and will be confiscated.

The local masses are very angry with these regulations that violate the central authorities' guidelines and have strongly demanded that the departments concerned act according to the central authorities' Document No 1 and abrogate these erroneous documents.

This station has added an editor's note to the letter which points out that to change the impoverished and backward outlook of the mountain regions, the various localities should rely on implementing the correct policy and principle, bringing into full play all local strong points, developing commodity production, and enlivening the local economy. They should not rely on levying natural resource charges, which will only result in losing the masses' support, further impoverishing the masses, and check the local economy. To reform and perfect the commodity circulation system, it is important to meet the needs of commodity production, continuously study and solve new problems, and promote commodity circulation by various means and ways. But it is incorrect to check the economy.

HE DONGCHANG ON GRANTING OF ACADEMIC DEGREES

OW261410 Beijing XINHUA in English 1354 GMT 26 May 86

[Text] Beijing, May 26 (XINHUA) -- Graduates with masters' and doctor's degrees trained in China should be senior experts with ideals, conscience, knowledge and sense of discipline, educational official He Dongchang urged.

At a meeting of the Academic Degrees Committee under the State Council, which opened here today, He Dongchang, vice-chairman of the organization, said the work of granting academic degrees should adhere to the socialist road and the principle of integrating theory with practice.

China has enrolled 158,000 students for master's degree and 5,100 students for doctorates since it resumed the diploma system in 1981; a total of 38,000 of them have been granted master's degrees and 350, doctor's degrees.

Beijing University and the Chinese Academy of Social Sciences have awarded nine honorary doctor's degrees to celebrated foreign scholars, scientists, statesmen and outstanding public figures.

ULANHU, OTHERS AWARD TIBETAN EPIC EXPERTS

OW270914 Beijing XINHUA in English 0602 GMT 27 May 86

[Text] Beijing, May 27 (XINHUA) -- The committee which recently compiled, edited and translated into Chinese the tibetan epic, "Gesar Khan" was honored at a meeting on the work this week.

The 800-year-old folk epic portrays a legendary hero of the Tibetan people. The collation of the many versions was listed as one of the key scientific research objects during the Sixth Five-Year Plan (1981-1985).

During the period, the experts collected more than 200 kinds of hand-copied versions and block-printed editions of the epic. Sung versions of the epic by some 50 Tibetan bards were copied on tapes running for a total of 2,200 hours.

The experts, from 17 provinces and cities, came to Beijing for the meeting and received prizes from senior Chinese leaders Ulanhu, Xi Zhongxun and Ngapoi Ngawang Jigme yesterday.

Beijing XINHUA Domestic Service in Chinese at 1358 GMT on 26 May in a similar report adds that "a closing ceremony for the National Gesar Conference was held at the Cultural Palace of the Nationalities on the afternoon of 26 May" and that it was attended by "leading members of the Propaganda Affairs Commisson, the Ministry of Culture, the Chinese Academy of Social Sciences, and other relevant departments."

ZHU HOUZE ADDRESSES HUBEI IDEOLOGICAL FORUM

HK250530 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 24 May 86

[Text] On the morning of 21 May, at Wuchang's Hong Shan Hall, Zhu Houze, director of the CPC Central Committee's Propaganda Department, held a forum with Hubei's theorists, journalists, writers, and artists to listen to their opinions on how to improve idological work and carry out ideological and cultural reforms. Zhu Houze spoke at the forum.

In his speech, he pointed out emphatically that we are now facing extensive and profound changes. In order to give a push to the reforms, it is necessary to strive to bring about a democratic, cordial,and harmonious atmosphere.

Qian Yunlu, deputy secretary of the provincial CPC Committee, attended and chaired the forum.

Comrade Zhu Houze said: All our comrades in Hubei are concerned with the building of spiritual civilization. This is excellent. If our ideological and cultural cause does not develop, if there are no changes in the ideological domain, and if we do not pay attention to building spiritual civilization, it would be extremely difficult to give a push to the reform of our economic structure. If we fail to do ideological, cultural, and journalistic work satisfactorily, the reform of the economic structure cannot be carried out smoothly. Now that we are facing extremely profound, extensive, and long-term major changes, our comrades in journalistic theoretical, and literature and art circles must be ideologically prepared for them. These changes are more profound than all previous changes. It is inevitable that these changes will lead to disagreement and a multitude of different opinions. This shows that our society is politically democratic and is full of vitality and vigor. This is better than dead silence. In the parst our cadres were used to working in the absence of disagreement. Now, we should learn to give correct guidance and to choose the correct way in the face of different opinions. We should be aware of the difficulty of ideological work and the favorable conditions for it and handle them by adopting the correct principles. Given these principles we should gradually discover the appropriate methods. In this way, we can bring about unity and a harmonious atmosphere and, in a creative spirit, create a new situation.

Comrade Zhu Houze continued: Now, it is necessary to bring about an atmosphere that is characterized by unity, harmony, mutual understanding, and mutual trust. Without such an atmosphere, we will encounter additional difficulties in our attmept to appropriately resolve various social contradictions. Paying no attention to circumstances and various conditions is anything but a dialectical materialist attitude. The absence of favorable circumstances and a good atmosphere is detrimental to the implementaion of the party's correct principles and policies.

Zhu Houze stressed: In order to resolve ideological contradictions, we should orient ourselves correctly, adopt the most appropriate measures, give guidance tactfully, and be sincere. It is necessary to strive to make circumstances favorable so that all contradictions can be appropriately resolved in a cordial and harmonious atmosphere.

Also present at the forum was "(Wang Zhongnong), director of the provincial CPC Committee's Propaganda Department. The responsible persons of the provincial Academy of Social Sciences, the provincial Federation of Social Science Associations, Central China Teachers' College, and HUBEI RIBAO spoke at the forum.

Throughout the forum, there was a harmonious, lively atmosphere.

On 22 and 23 May, Zhou Houze, director of the CPC Central Committee's Propaganda Department successively called at Wuhan University, the Central China Teachers' College, the Central Agricultural University, and the Central China Engineering College. At these institutions, he held forums with the leaders, teachers, and students to discuss the problem of how to fully understand the significance of the current reforms from the angle of the history of the development of mankind; the problem of how to improve and strengthen ideological and political work in institutions of higher learning; and the problem of how to enliven theoretical studies in the social sciences. Those who attended the forum aired their view freely. There was democratic heart-to-heart talking, plenty of laughter, and a harmonious atmosphere throughout the forum.

Comrade Zhu Houze also visited Wuhan University's Biological Specimen Center and its Measurement Center, and the Central China Laser Research Center. He praised them for their important pedagogical and scientific research achievements.

BO YIBO DISCUSSES EFFORTS TO CARRY OUT REFORMS

OW222310 Beijing XINHUA Domestic Service in Chinese 1229 GMT 22 May 86

[By RENMIN RIBAO reporter Li Jie and XINHUA reporter Chen Chaozhong

[Excerpts] Zhengzhou, 21 May (XINHUA) -- When Bo Yibo, vice chairman of the Central Advisory Commission, inspected Henan, he pointed out that the on-going reform is an overall one. We must inspire self-respect and self-confidence among our country's billion people and encourage them to boldly forge ahead and carry the reforms through to the end, he said.

After presiding over the party rectification forum held in Zhengzhou for provincial and city CPC Committee secretaries from northern China, a forum sponsored by the Central Commission for Guiding Party Rectification, Bo Yibo inspected some factories and units in the city. He spoke at the 21 May meeting of Henan provincial party and government cadres.

Bo Yibo said: Recently Comrade Deng Xiaoping explicitly pointed out that in carrying out the Seventh 5-Year Plan we will not seek an excessively high rate of growth. Our main target is to reform the urban structure. Right now the trend is quite good. We must have reserve strength in order to attain development, and our reserve strength comes from reforms. To carry out reforms, open our country to the outside world, and invigorate our economy is our major prerequisite. Various financial and tax collection departmens as well as banks must proceed from this major prerequisite and support and coordiante each other in carrying out reforms. This year we must concentrate our efforts in scoring some achievements in the development of lateral economic ties. We must further develop socialist commodity economy. All departments concerned must take the initiative to support and coordinate each other in this regard.

Bo Yibo said: In carrying out reforms we must give the necessary decision-making power to managers of various enterprises and to factory directors, and we must institute the system under which directors and managers assume full responsibility. Right now, factories where such a system is being instituted are being faced with some problems. We should try to resolve these problems. He suggested that each provincial or city party committee and government tackle one or two problems, and then sum up and spread the experience.

He said: To institute the system under which a director or manager assumes full responsibility is important to reforming the enterprise management system and invigorating the economy. We must ensure that factory directors are able to fully exercise their authority within their jurisdictions and that they have the power to handle personnel and financial matters and to control supplies and inventory. The main responsibility of the party organization of an enterprise is to strengthen education on party spirit among party members and to supervise and ensure implementation of the system under which a director or manager assumes full responsibility. When a factory director or manager exercises his authority, he must also give full play to democracy and solicit views from the party committee and the workers' congress.

BO YIBO RECEIVES 'WORKERS AMONG CHILDREN'

OW281257 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 27 May 86

[Text] On the morning of 27 May in Nanjing Bo Yibo, vice chairman of the Central Advisory Commission, received representatives of Jiangsu's outstanding workers among children. Comrade Bo Yibo warmly shook hands with the representatives. He said: I am pleased to have the opportunity of meeting you prior to 1 June Children's Day. You have done a great job in bringing up children. In realizing the socialist modernization program, we really need a group of hard working unknown heroes like you.

Comrade Bo Yibo said: Education for children is extremely important. There is a saying in my hometown: We can see how a person behaves as an adult from his behavior when he is 3 years old. We can see how a person behaves his whole life from his behavior when he is 7 years old. This means that education for children must be done from their early years. Your responsibilities are heavy.

Comrade Bo Yibo said: Right now we are implementing the policy of opening the country to the outside world and invigorating the domestic economy. This is a new task. In facing the new situation, all of us must study well what Comrade Mao Zedong said: Educators must receive education first. You comrades are educators. You must work hard to study Marxism-Leninism and the party's various principles and policies. You must also study modern science and culture. Not only young people must study them, older people must also study them. Educators, particularly educators for children, must study hard.

Also present at the reception were Han Peixin, Shen Daren, Fu Hao, and other leading comrades as well as Comrades Guo Jian and (Wang Yun). Bo Yibo and other leading comrades also took a group picture with the representatives of the workers among children from various localities and fields of endeavor in the province.

WANG YUZHAO ATTENDS MEETING ON ANHUI MILITIA WORK

OW281201 Hefei ANHUI RIBAO in Chinese 13 May 86 p 1

["Dispatch" by ANHUI RIBAO reporter Li Changwen and correspondents Jian Wuyi and Zhang Jian]

[Excerpts] The Anhui provincial people's government and the Anhui Military District recently held a provincial meeting on exchanging experience in militia and reservists work at Maanshan.

At the meeting, units from Maanshan, Hefei, Fuyang, Huainan, Xuancheng, Huizhou, the Maanshan Iron and Steel Company, and the No 17 metallurgical construction company reported on their experience in "changing the guiding principle for militia and reservist work," "organizing the militia to participate in building the two civilizations," and "including urban militia work in enterprise management."

The meeting set the major tasks and concrete demands for Anhui's militia and reservists work in the days to come, as follows: To continue seriously studying the central authorities' instructions concerning militia and reservist work, and establishing the notion of running the militia by considering the overall situation; to open up new ways of running the militia in the interest of the four modernizations, and mobilize the militia to contribute to Anhui's economic development; to display a reformative and pioneering spirit and further promote the reform of the militia and reservist work; and to continue to strengthen leadership over the militia and reservist work and over county and city People's Armed Forces departments after they were placed under local governments in light of new demands under the present circumstances.

Zhang Linyuan, member of the Standing Committee of the provincial CPC Committee and political commissar of the Anhui Military District, delivered an opening speech at the meeting. Other speakers at the meeting included Governor Wang Yuzhao and Li Yuanxi, commander of Anhui Military District. Chen Chao, director of the Department of Mobilization of the General Staff Department, attended the meeting to provide guidance. Wang Chengbin, deputy commander of the Nanjing Military Regional, issued some instructions near the end of the meeting.

Some 70 persons attended the meeting. They included responsible comrades of prefectural commissioner's offices, city governments, military subdistricts, central agencies in Anhui, and the headquarters, political, and logistics departments of the Anhui Military District.

INVESTOR VIEWS KEYS TO BUSINESS SUCCESS IN FUJIAN

OW280612 Beijing XINHUA in English 0552 GMT 28 May 86

["Investment in Fujian Is Promising, Hong Kong Entrepreneur Says" -- XINHUA headline]

[Text] Fuzhou, May 28 (XINHUA) -- While some overseas investors have found the road to profit in China filled with unexpected twists and turns, Zeng Xingru, a Hong Kong entrepreneur, has found the path to success hard but at least as straight as he had hoped.

"People abroad say investors on the mainland run into too many problems," says Zeng. "But that view is unanalytical. Everywhere people do business, a lot of them fail. The thing to do is to learn from failure."

And from success. Since Zeng helped found the Anxing Rattan Company in Fujian in February 1984 to make furniture, screens and handicrafts, profits have soared. In October 1984 alone, he says, salespeople for the joint venture wrote orders worth 600,000 U.S. dollars at the Guangzhou export commodities fair. "That was more than the total investment in the company," he says. At this spring's Guangzhou fair, overseas orders for the company's products exceeded two million dollars. "That means everything we can make will be exported," he says.

"I know foreign investment in Fujian sometimes runs into trouble," he says, "but overall I'd say it's promising." Zeng is a member of the Fujian provincial committee of the Chinese People's Political Consultative Conference (CPPCC), an advisory body. At last week's meeting, he attributed the improvement in Fujian's investment climate to China's policy of opening to the outside world.

Speaking to the committee, Zeng said his own joint venture's success was due to its close monitoring of the international market, continual changes in product line in response to world fashion, and hiring of skilled managers and technicians. "Another key is that 70 percent of our raw materials are local products," he said. Use of domestic products keeps down costs. The general manager of the company is Chen Qinghe, a graduate of the Fujian School of Industrial Arts. Zeng calls his work "outstanding" and says handicrafts designed by him sell well throughout the world. The company has 3,000 workers. Its staff will increase to 4,000 by the end of the year, says Zeng.

HAN PEIXIN ATTENDS JIANGSU LAND RECLAMATION MEETING

OW291228 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 28 May 86

[Text] The second Jiangsu provincial meeting on land reclamation ended in Nanjing on 28 May after 5 days. The meeting relayed and implemented the guidelines set by the State Council in its directive on carrying out reforms in reclamation and further reaffirmed the principle and tasks in land reclamation in Jiangsu during the Seventh 5-Year Plan period. Leading Comrades Han Peixin, Sun Han, and Ling Qihong attended and addressed the meeting.

JIANGSU: NANJING MILITARY REGION TRAINS DUAL PERSONNEL

OW282312 Beijing Domestic Service in Mandarin 1000 GMT 28 May 86

[Text] In an interview with reporters today, Xiang Shouzhi and Fu Kuiqing, respectively commander and political commissar of the PLA Nanjing Military Region, said that the program to train personnel useful to the military and civilian departments has instilled new vitality in the military region and brought about a new order. They said the program will have a profound influence on modernizing the Armed Forces because, since it was introduced into the Armed Forces several years ago, officers and men in the military region have become more eager to learn, they have become militarily more proficient and their political conscientiousness has heightened.

In connection with the actual performance of a certain division under the military region, Xiang Shouzhi and Fu Kuiqing gave military and civilian reporters of central and local departments a detailed account of how the integrated program of training dual-purpose personnel has brought about a series of changes in the military region.

They said: The training program has fulfilled the wishes of officers and men who want to learn and become proficient personnel. In addition to enlivening their life in the military, the program also makes them feel that they can learn something in the military and that they can make a good living after retirement. Thus, they have become more attached to the military and feel more comfortable serving in the military. According to a survey conducted among 800 or so veteran fighters in the division, over 90 percent of them are satisfied with their jobs, and they do their work with a positive attitude.

Xiang Shouzhi and Fu Kuiqing stressed: The division's accomplishments prove that, contrary to some people's belief that the training of dual-purpose personnel might affect military training, the program has expedited reform in training, improved armymen's military proficiency, and heightened their political conscientiousness. They added, last year a signal detachment under the division won 37 first prizes in 52 training contests, accumulating the highest score in these contests.

SHANGHAI CATHOLIC DIOCESE OPENS REPOSITORY 29 MAY

OW291645 Beijing XINHUA in English 1454 GMT 29 May 86

[Text] Shanghai, May 29 (XINHUA) -- The Shanghai Roman Catholic Diocese today opened a repository in suburban Shanghai for the ashes of area Catholics. The ashes of 30 priests, brothers and nuns who died over the past 20 years -- when there was no Catholic cemetery -- were placed in the columbarium following a ceremony today. The original diocese cemetery was destroyed during the 1966-1976 "Cultural Revolution." The columbarium can store the ashes of 4,000 people and will be expanded in the future, said a diocese official. The Shanghai diocese has some 100,000 members, he said.

SHANGHAI PROTESTANTS ELECT NEW LEADERSHIP

OW291606 Beijing XINHUA in English 1557 GMT 29 May 86

[Text] Shanghai, May 29 (XINHUA) -- Luo Guanzong, 66, was relected chairman of the Shanghai Protestant Church Association here today. Sun Yanli, 70, was elected chairman of the religious affairs committee of the group, replacing 80-year-old Qi Qingcai. More than 500 representatives of Shanghai's 40,000 Protestants participated in the elections at a four-day conference which ended today. Since 1979, the 22 Protestant churches in the city have resumed religious activities suspended during the 1966-1976 "Cultural Revolution." The East China Protestant Theological Seminary in Shanghai began enrolling students in September last year. Religious delegations from more than 10 countries and regions have visited Shanghai's Protestant churches in the past few yars.

ZHEJIANG'S WANG FANG VIEWS ATTACK ON TAX CADRES

OW241357 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 22 May 86

[Text] On 28 April a serious incident of refusing to pay taxes and the beating up tax cadres occurred on the (Fayunlong) tea market at Lingyin Village in Xihu Township, Xihu District, Hangzhou City, Zhejiang. Over 10 tax cadres came under attack from all sides. They were railed at by the chief of Lingyin Village, team leaders, and dozens of small tea retailers. Two tax cadres were beaten up and wounded.

After the incident leading comrades of the provincial finance department, the provincial tax bureau, and the Hangzhou City Finance and Tax Bureau went to the Xihu District Finance and Tax Bureau to call on and extend their regards to comrades who were beaten up. The provincial finance department called on departments concerned to immediately deal with the leading elements who concocted this incident of refusing to pay tax and investigate and ascertain criminal responsibility for the incident in accordance with the law.

On 20 May, Wang Fang, secretary of the provincial CPC Committee, wrote comments on this incident: This case of refusal to pay taxes and beating up and railing against tax cadres should be handled according to the law and in good time.

ZHEJIANG: WENZHOU CONTRASTS COLLECTIVE, INDIVIDUAL FIRMS

OW281147 Beijing XINHUA in English 1047 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Wenzhou, a city in southern Zhejiang Province, is probably the only place in China where collective and individual enterprises constitute the predominant sector of the local economy. The collective enterprises furnish about 70 percent of the annual output value of Wenzhou's industry, which amounted to 32.7 billion yuan last year. The figure for individual enterprises -- mostly family businesses -- is about 12 percent and for state-owned enterprises, about 18 percent.

In an article in today's PEOPLE'S DAILY, Wenzhou Mayor Lu Shengliang said that there are 130,000 individual businesses, which employ 400,000 people and had an annual turnover of one billion yuan in 1985.

Students of Chinese economics view Wenzhou as an example indicating the extent to which cooperative and individual businesses are encouraged as a supplement to the state-owned sector.

In his report on the Seventh Five-Year Plan (1985-1990), Chinese Premier Zhao Ziyang defined China's economy as a planned commodity economy based on public ownership.

Wenzhou is one of the most densely populated areas in China, where arable land averages one hectare to nearly 30 people. The city center has more than 300,000 people in an area of less than 12 square kilometers. In terms of population density, the area is more crowded even than Hong Kong and Shanghai.

While investing more in local state-run enterprises and giving them more decision-making powers to speed up their development, the mayor said, the city government will provide more assistance to individual businesses to absorb the surplus rural labor. Meanwhile, it will guide them to get organized according to their free will and the needs of production. Collective enterprises will be encouraged to accumulate more funds for upgrading production, he said.

GUANGDONG: SEZ DEVELOPMENT, PROGRESS OUTLINED

HK291540 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0715 GMT 29 May 86

[Text] Beijing, 29 May (ZHONGGUO XINWEN SHE) -- In an interview in Beijing, Liu Feng, the visiting chairman of the Shantou Special Economic Zone Administrative Committee, told this ZHONGGUO XINWEN SHE reporter that during the period covered by the "Seventh 5-Year Plan," the Shantou Special Economic Zone would invest 1.2 billion yuan in capital construction and would strive to achieve a gross industrial and agricultural output value of 600 million yuan and to earn $150 million from export by 1990.

Liu Feng said: During the period covered by the "Seventh 5-Year Plan," the direction of development in the Shantou Special Economic Zone will depend on foreign capital, and will be mainly industrial. On the basis of a coordinated development of industry, agriculture, and the production of aquatic products, it will produce mainly export products and strive to balance its income and expenditure in foreign exchange with a small surplus.

During the period covered by the "Seventh 5-Year Plan" in the course of the development of the special economic zone's industry, first priority will be given to those industries which are technically quite well-founded and for which it has rich natural resources, such as the production of ceramic products and the electronics industry. At the same time, the special economic zone will also develop those industries which do not consume much energy; which do not produce serious pollution problems; and which promise good economic results, such as the production of plastic materials, sophisticated chemicals, machinery, textile goods, garments, and toys. These products will be mostly "sophisticated, small, light, and newly developed." Most of the enterprises will be small or medium sized.

During the period covered by the "Seventh 5-Year Plan," the Shantou Special Economic Zone's agricultural development will be focused on growing those fruits and vegetables which are best suited to Chaozhou and Shantou. According to a tentative plan, the special zone will devote 2,000 mu of land to the growing of mandarin oranges and with Shantou City will jointly grow mandarin oranges on another 30,000 mu of land. The production of aquatic products will be focused on breeding marine and fresh water aquatic products. Priority will be given to the breeding of peneus and eels. Appropriate attention will be paid to the breeding of high-price fish. The special zone will devote 3,000 mu of sea surface area to breeding peneus and another 150 mu to breeding eels. The specal economic zone and Shantou City will jointly breed peneus in a sea area of 6,000 mu.

As of March, the Shantou Special Economic Zone has invested more than 190 million yuan in capital construction and built the Longhu Industrial District; a port district; a pearl culture district; and an aquatic products district, which have a total area of 2.275 square kilometers. Construction has started on more than 610,000 square meters of land, construction has been completed on more than 230,000 square meters of land. The special economic zone has signed contracts for 264 projects. Some of these projects are to be jointly undertaken with foreign investors or associated enterprises in other parts of the country, whereas some are to be independently undertaken by the special economic zone. The total amount of investment agreed upon is HK$2.1 billion, of which HK$540 million is foreign capital. So far the zone has earned more than $73 million from its exports.

GUANGDONG CIRCULAR ADVOCATES FAMILY PLANNING EDUCATION

HK280855 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 27 May 86

[Text] The Propaganda Department of the provincial CPC Committee and the provincial Family Planning Commission recently issued a circular, demanding that propaganda departments and family planning committees at all levels in the province take immediate action to educate in and publicize provincial regulations on family planning and promote the implementation of the regulations.

The circular reads: It is necessary to correctly understand that revising family planning regulations is to perfect, not change, family planning work. In the course of implementing birth control policies in a comprehensive way, it is still necessary to encourage women of child-bearing age who have only one child to use intrauterine devices, and one party of those couples who have two children to have either oviduct ligation or vasoligation.

The circular also calls for strictly implementing rewards and punishments after revising regulations on family planning. Decisions on those who violated family planning policies in the past, and were punished in accordance with the previous regulations, will not be changed. Those who violate family planning policies at present will be dealt with in accordance with the new regulations.

GUANGDONG CONTROLS ISSUED ON TEAHOUSES, DANCING, BILLARDS

HK280927 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 27 May 86

[Text] The provisional people's government recently approved and relayed provisional regulations on controls over music teahouses, dancing parties, and commercial billard halls.

The provisional regulations on control over music teahouses stipulate that music teahouses must broadcast, and players and singers in teahouses must play and sing, healthy music and songs. They are not allowed to broadcast records and tapes which have not been published. Singers in teahouses are absolutely forbidden to sing reactionary, lewd, and vulgar songs. Singers must give performances in a civilized and dignified manner. In music teahouses, clients must behave and maintain good order. In music teahouses, clients must behave and maintain good order. They are absolutely forbidden to make a clamor and uproar, create disturbances, whistle, or fight with each other.

The provisional provincial regulations on control over dancing parties stipulate that it is impermissible to employ or add extra dancing partners, and to dance in the dark. Uncivilized and unhealthy dances and indecent acts must be prohibited in dancing parties.

The provisional provincial regulations on control over commercial billard houses stipulated that commercial billard halls must formulate specific management rules to strengthen control over themselves. It is absolutely impermissible to gamble or gamble in a disguised way on billard games. Commercial billiard halls must be closed from 2300 to 0600.

HAINAN: PARTY SCHOOL WORK FORUM OF CENTRAL-SOUTH CHINA

HK281106 Haikou Hainan Island Service in Mandarin 0300 GMT 28 May 86

[Text] A city and prefectural Party School work forum of five provinces of central-south China is being held in Tongze from 25 to 30 May. The forum is summing up and exchanging the situation in regularization and experiences in reform of education since the second national conference on Party School work, analyzing the situation in current education for cadres, and studying the problems of how the city, prefectural, and county party schools can realize regularization of education. After the representative arrived in our region, Hainan Regional CPC Committee Secretary Yao Wenxu and Deputy Secretary Pan Quiongxiong met them at the Hainan Party School.

HUNAN GOVERNOR DISCUSSES ECONOMIC LINKS WITH SHANGHAI

HK260227 Changsha Hunan Provincial Service in Mandarin 0900 GMT 25 May 86

[Excerpts] This morning, Governor Xiong Qingquan and Vice Governor Yu Haichao gave a cordial reception to a delegation of Shanghai journalists in the provincial government building.

Governor Xiong said: Since 1984, 13 prefectures and cities in Hunan have established multilevel, multichannel, and multiform economic ties with 11 districts and 2 counties of Shanghai Municipality. Some 150 out of 400 joint and cooperation projects are now in operation. In 1985, these projects yielded an output value of 100 million yuan and 18 million yuan in tax and profit. Scientists, technicians, and master craftsmen from Shanghai have unreservedly passed on their techniques and skills.

Hunan has a strong point in agriculture and a certain foundation in industry. Its resources are extremely abundant. However, we are short of energy and backward in technology and management, and our commodity economy is undeveloped. We hope to promote high-level ties with Shanghai on the basis of the current ties.

Xiong Qingquan will lead a delegation to Shanghai inmid-June to learn and investigate. The delegation will have talks with the Shanghai Municipal Government on further promoting lateral economic ties.

HUNAN ISSUES CIRCULAR ON CHECKING SECOND CHILD TREND

HK290802 Changsha Hunan Provincial Service in Mandarin 2200 GMT 28 May 86

[Text] The provincial government recently issued a circular urging the governments at all levels to organize manpower and adopt measures to check the rising trend of having an additional child.

The circular pointed out: Recently some localities have slackened their work on family planning. The trend of having an additional child has not been properly checked. The circular said: No locality should recklessly change the family planning policy. We should report to the provincial Family Planning Commission for approval those couples who are having a second child. We must take as a long-term and important task the work of advocating one child per family. We should consolidate the one-child households so that the number of people receiving a one-child certificate will continue to increase. The circular urged all competent departments in charge of family planning to seriously sum up their recent work and thoroughly solve the problems.

OFFICIAL TO CONTACT ARGENTINA ON SINKING

OW291445 Taipei CNA in English 1435 GMT 29 May 86

[Text] Taipei, May 29 (CNA) -- The Foreign Ministry [MOFA] said Thursday that it has instructed Hsu Ping, the Republic of China trade representative in Buenos Aires to contact Argentine authorities on that country's Coast Guard's sinking of a Chinese fishing boat in waters between Argentina and the Falkland Islands in the southern Atlantic Ocean early Wednesday. Argentina calls the island group Las Malvinas.

An Argentine Coast Guard vessel fired on three ROC squid trawlers operating in that area, sinking one fishing boat and damaging another. One of the 23 sailors abroad the sunken trawler was killed, and three others were wounded. The Argentines took the remaining 19 crew to Port Deseado, some 1,600 kilometers southwest of Buenos Aires, according to a report by the Kaohsiung Fishermen's Association.

The MOFA also asked Hsu to dispatch personnel to Port Deseado to look after the 19 fishermen detained there as soon as possible. Hsu will begin negotiations with the Argentine authorities Friday morning.

Meanwhile, the council of agriculture has ordered an official of the Kaohsiung Fishermen's Association stationed in the Falklands to make an urgent call over wireless radio, asking all Chinese fishing ships operating in that area to leave so as to avoid recurrence of such incidents.

Crewmen Taken to Port Deseado

OW300359 Taipei CNA in English 0312 GMT 30 May 86

[Text] Buenos Aires, May 29 (CNA) -- Twenty-one crewmen of Chinese fishing boat "Chainder No 3" [spelling as received] which was fired and sunk by Argentine prefectural patrol boat Wednesday, are expected to arrive in Port Deseado, 2,150 kilometers south of Buenos Aires, Thursday afternoon, it was learned here. The crewmen, including remains of a crewmen, will be escorted to live in an old house pertinenting [as received] to the provincial government of Santa Cruz while the four injured will be hospitalized, according to local prefectural sources.

At the same time, the statement from Foreign Ministry of the Republic of China about the incident had already reached Argentina. Official of Taiwan commercial office here is trying to make contact with Argentine Foreign Ministry about the incident but at this moment, all the contact seem to be failure.

YU KUO-HWA MEETS FRG BUNDESTAG DELEGATION 24 MAY

OW241117 Taipei CNA in English 1024 GMT 24 May 86

[Text] Taipei, May 24 (CNA) -- Premier Yu Kuo-hwa Saturday received Hans Heinz Hauser, member of the Bundestag (lower parliament) and deputy leader of the Christian Democratic Union/Christian Social Union caucus in the Bundestag of West Germany, and his party.

Premier Yu extended hearty welcome to the German guests who are here for the first time. He expressed the hope that economic and industrial cooperative relations between this nation and West Germany will be further boosted after their visit here.

Hauser and his 15-member economic delegation arrived in Taipei May 19 for an eight-day visit. Other members of the delegation include Josef Linsmeier and Wolfgang Lohmann, also members of the Bundestag. They are scheduled to depart Monday.

PROFILE OF SHENZHEN SEZ PROBES PROSPECTS, PROBLEMS

New Boundary Hinders Economic Growth

HK260752 Hong Kong SOUTH CHINA MORNING POST in English 26 May 86 p 10

[From the "South China Beat" column by Albert Chan and Julina Chan: "Shenzhen Second Border: New Procedures Hit Shenzhen Progress"]

[Text] Fresh problems have slowed down the economic development of the Shenzhen Special Economic Zone [SEZ] this year, a Chinese official said. But the sectetary-general of the zone, Mr Zou Erkang, said the creation of the "SEZ management boundary" should not be blamed for the problems. Many investors claim that the new boundary has adversely restricted the economic growth of the SEZ but Mr Zou dismissed this as an "illusion." "Why should we spend so much money (135 million yuan or HK$338 million) to build a fence around us and be (economically) strangled?" he said.

Mr Zou said there have been signs of economic recovery since last month, when the "management boundary" -- more commonly known as the "second line" -- came into operation. Statistics show that in the first three months of this year, output of retail goods in the zone fell by four to six percent, when compared with the same period last year. In March alone electronic industrial production dropped by some 50 percent.

Mr Zou said the fall in production figures was caused by certain new policies adopted by the zone. "One of the major reasons is the adoption of new import-export licence procedures for goods and new material going into or through the zone," he said. Under the new licence procedures, the import or export of raw materials and finished or semi-finished products is strictly controlled. Most goods have to be registered with the Chinese customs before they can be imported into the Shenzhen SEZ, including those destined for sale in other parts of China.

Mr Zou acknowledged many foreign investors involved in joint ventures in the SEZ have complained that the new procedures are "troublesome and time-consuming." As a result, industrial production has fallen, he said. However, Mr Zou stressed that the central authorities would be informed of this situation so that they could seek ways to make the new policy flexible.

He also noted that several other problems encountered by the free economic zone have yet to be overcome. They include the SEZ's financial and currency situation, the investment environment and the promotion of its products on international markets.

But he added that official statistics last month showed a positive growth in the economy of the SEZ for the first time this year. Production of industrial goods shot up by 11 percent and retail goods were up by 4.9 percent compared with the March figures. However, retail goods production was down 7.7 percent when compared with the same period last year.

Mr Zou expected further improvement in the next two months. He added that there would be greater recovery in the second half of the year or early next year.

Visitors Cause Price Increases

HK260756 Hong Kong SOUTH CHINA MORNING POST in English 26 May 86 p 10

[From the "South China Beat" column by Albert Chan and Julina Chan: "Shenzhen Second Border: Visitors Push Up SEZ Prices"]

[Text] The large number of Hong Kong day trippers who take advantage of simplified immigration procedures in Shenzhen have been blamed for pushing up commodity prices in the special economic zone [SEZ]. About 25,000 people crossed the Lowu border each day to enter the SEZ. Many were housewives and hawkers who went there to buy vegetables, fish and poultry.

The head of Shenzhen's Commodity Prices Administration, Mr Gong Peinian, said prices in Shenzhen were partly pushed up by the stream of Hong Kong consumers. The favourite shopping place for Hong Kong visitors is the Dong Men (East Gate) Market, a 20 minute walk from the railway station.

Because most Hong Kong customers change their Hong Kong currency into renminbi on the black market, Shenzhen authorities have decided to set up a "Hong Kong dollar market" near the railway station in a bid to get back at least some of the foreign currency falling into the hands of the hawkers. Mr Gong said there would be three such markets. However, officials at the Shenzhen Trade Department, which was responsible for the scheme, said they were having trouble securing the locations. It would be at least two months before the first market was operational.

Officials said the main aim of the plan was to "benefit Hong Kong residents" by providing them with a convenient shopping place. But Mr Chen Xinglian, director of the Trade Department, conceded that the currency black market was a main reason for the plan.

While some Hong Kong travellers simply find touters to change their coveted Hong Kong dollars into renminbi, others have a more ingenious way of getting the Chinese currency. They buy two cartons of duty-free cigarettes at the Shenzhen customs building, the maximum allowed, and sell them to hawkers near Dong Men for renminbi -- plus a profit.

According to the plan, the new market would be similar to any other fish or poultry market on the mainland except that merchandise would be of much better quality and only Hong Kong dollars would be accepted.

Sharp Inflation Angers Residents

HK190918 Hong Kong SOUTH CHINA MORNING POST in English 19 May 86 p 9

[By Albert Chan, Ophelia Suen, and Julina Chan]

[Text] A price has been paid for China's experiment with price reform -- sharp inflation which has angered many people. Official figures show vegetables and fish cost 30 percent more last year compared with 1984.

Although officials have argued that the pressure of inflation on the public has been offset by corresponding increases in workers' take-home pay, people interviewed in Guangzhou and Shenzhen agree that prices have gone up too much and too quickly.

In Guangdong province for example, the government spent some 428 million yuan (roughly HK$1 billion) in direct subsidies in 1985.

This worked out at about 30 yuan (about HK$75) for each person. Since the reforms government figures showed that prices for goods on the retail market in China have gone up 8.8 percent in rural areas and 12.2 percent in towns and cities. The average rise in food prices is 10.9 percent.

According to figures released by the State Statistical Bureau, prices of vegetables, fruit, aquatic products, newspapers and magazines rose by more than 30 percent last year. Prices for other daily necessities such as poultry, meat, and eggs jumped by 22 percent.

But inflation in open cities was much worse. In Guangdong, the overall inflation rate was almost 25 percent, the highest in years. But incomes in Guangdong are higher than the national average.

The Statistical Bureau said when inflation is taken into account, the income of the rural population has still increased by 8.4 percent while the urban population has received 10.6 percent more. This was partly achieved by direct Government subsidies to the state's labour force.

In the first quarter of this year, the rate of inflation in the city of Guangzhou has been falling -- and this has triggered mixed feelings in business circles. A more stable cost of living index -- largely attributable to a shrinking market for commodities -- has worried some enterprises that the heydays of business might be over, while others believed that the city's economy was evolving towards a healthier state. Average residents benefited from the lower costs of living as the average retail prices for vegetables stood at 33 fen (about 85 HK cents) a kg during the first quarter, a drop of 23 percent over the same period last year.

While the demand for commodities dropped, the banks enjoyed brisk business as deposits increased by a hefty 39.5 percent during the first two months of this year.

Border Patrol Marginally Efficient

HK260754 Hong Kong SOUTH CHINA MORNING POST in English 26 May 86 p 10

[From the "South China Beat" column by Albert Chan and Julina Chan: "Shenzhen Second Border: Problems Plague New Line"]

[Text] About one million yuan (HK$2.5 billion) is badly needed to improve facilities along the Shenzhen Special Economic Zone's [SEZ] new "second border," which has run into serious technical problems in keeping out illegal entrants from other parts of China. SEZ officials are awaiting the approval of an operational fund by the central government to strengthen the new border, which was meant to stop people from less prosperous parts of the mainland flooding into Shenzhen. It is understood the SEZ submitted the request for the management fund early this year, but central authorities have yet to approve it.

According to observers familiar with the situation, existing transportation facilities at major checkpoints of the second border, which opened last month after a year's trial, are still inadequate. One source told the "South China Beat" that illegal entrants stopped at checkpoints often found themselves stranded at customs office for hours because there was not transport to take them out of the zone. On several occasions, illegal entrants had to wait for free rides by taxi drivers turned out by customs.

The absence of a management fund is most telling on the marine section of the control line, where serious technical problems have resulted.

The deputy director of the Shenzhen Municipal Port Control Office, Mr Chen Guanrong, said the problem of illegal entry by sea is more serious than land crossings. Officials said there are at present only six to seven patrol vessels, which have been in use for more than five years, to stop illegal entrants and smugglers.

It is understood that the fund shortage and inadequate facilities have also delayed the opening of a third marine checkpoint at Dachong. The other two checkpoints are at Daxin and Houhai.

The secretary-general of the SEZ, Mr Zou Erkang, said the fight against smuggling and illegal entry would be a long drawn-out affair, although authorities would continue to step up the controls. He noted that some of the illegal entrants used sophisticated equipment, such as high speed boats, to rush across the control line.

TA KUNG PAO Opposes New Port

HK270411 Hong Kong TA KUNG PAO in Chinese 26 May 86 p 6

[Article by reporter Chen Yung-ping: "Shenzhen Should Not Build a New Port for the Time Being"]

[Text] The Shenzhen Special Economic Zone has made much progress in port-building in the past few years and this has played a positive role in improving the environment for investment of the special economic zone. However, there has been excessive enthusiasm for port-building in Shenzhen lately and this should catch the attention of the Shenzhen City authorities.

Such excessive enthusiasm is shown in the fact that the work of port-building is not in conformity with the actual needs of the Shenzhen Special Economic Zone. At present, Shekou port and the Chiwan deepwater port are of considerable size and are playing their parts. However, the departments concerned have proceeded with the work of building two large-scale deepwater ports at Dapeng salt field in the east and at Mawan in the west. In the present stage, does the Shenzhen Special Economic Zone and the neighboring areas need so many deepwater ports? We may have some idea of this question if we look at the situation of the business and the operation of the Chiwan port.

Chiwan port is the only deepwater port in Chenzhen and it is located at the southern tip of the Nantou peninsula in the Shenzhen Special Economic Zone. The construction of this port started in June 1982. In June 1983, the first 10,000-ton multi-purpose berth was built and put into operation. To date, two 10,000-ton berths, two 1,000-ton berths, four wharves for three-purpose offshore oil prospecting ships, and two berths for tankers have been built. These berths and wharves are equipped with loading and unloading facilities and provided with vehicles for transportation. Relevant warehouses, grounds for stacking goods, oil tanks and so on have also been built. At present, although the construction of Chiwan port has not been fully completed, its annual handling capacity is already 1.62 million tons and a section of it has been used as a rear services base for the offshore petroleum trade (this base is managed with the cooperation of Singapore).

According to the responsible person of the China Nanshan Development Joint-Stock Company Limited, which is responsible for developing and managing Chiwan port, since the first 10,000-ton wharf was put into operation in June 1983, the business and the handling volume of the port has been increasing year after year.

In 1985, the second 10,000-ton berth was put into operation and the handling volume of the port that year reached 653,000 tons. Although the business of the port has been increasing, it has never been able to catch up with the growth of the design handling capacity. In 1985, the actual handling volume of Chiwan port was only 59.4 percent of the design capacity. It is estimated that this year's handling volume will only be about 70 percent of its design capacity.

He explained that the chief reason why the handling volume of Chiwan port has been able to reachits design capacity is because sources of goods for the port are insufficient. As a local port, Chiwan has to look for its own sources of goods because work in this respect is not included in state plans. In the past few years since the port was put into operation, it has mainly handled import and export goods for Shenzhen City. It has also handled import and export goods for Guangdong Province and other areas in south China through its efforts to make arrangements with departments concerned. Since the Shenzhen Special Economic Zone is still in its initial stage of development, the volume of its import and export goods is not big. He believed that if Chiwan port serves only the needs of Shenzhen City, its handling volume will not be too much for quite a long time to come.

He also said that since the Chiwan Petroleum Rear Service Base began its operation on a trial basis in September 1984, it has provided services for four foreign oil companies and several specialized contract companies, but the renting rates of the warehouses and land, the volume of work, and the rate of utility of the equipment have all been lower than the design level. In short, much of Chiwan port's capacity, including its handling capacity and its services for offshore oil prospecting, has not been used.

Judging from the situation of the operation and business of Chiwan port, it is not advisable for the Shenzhen Special Economic Zone to build other large-scale deepwater ports for the time being. Even when it is necessary to build large-scale ports in the future, Shenzhen should give full consideration to the sources of goods.

According to an official of the Nanshan Development Joint-Stock Company Limited, even if the import and export volume of goods of Shenzhen or Guangdong Province increase by a big margin in the near future, we can further investment in Chiwan port and new berths can be built very quickly. Besides, such investment will be much less than the investment needed for building a new port. According to the geological conditions of Chiwan, seventeen 50,000-ton or smaller berths for containers, bulk goods, and miscellaneous goods can be added to increase the port's handling capacity to 10 million tons. Therefore, the economic results of investing in expanding Chiwan port will be greater than those of making investment in building a new port. Besides, this conforms to the central committee's spirit of tightening investment in capital construction in the present stage.

Moreover, a large-scale port needs a developed communications system before it can give full play to its role. It follows that if Shenzhen build a port at the Dapeng salt field in the east, it has to invest in the construction of a communications system. This is the case with investment in the port. If the departments concerned extend the Buji-Mawan railway line, which is included in Shenzhen City's construction plan, to Chiwan, it will increase the collecting and distributing capcity of Chiwan port, increase its handling volume, and save the investment of building a new port for the time being.

According to reports, in order to meet the needs of future development, the managerial personnel of Chiwan port are striving to improve the quality of services, meet the demands of the customers, and increase the items of services. Besides, the port has started to improve navigation conditions so that 30,000-ton ships can sail into the port. It has also completed the preliminary design for two 20,000 ton berths with a length of 420 meters at the west. The construction of these berths can start at once if necessary. In order to solve the problem of insufficient handling volume for Chiwan port, the Nanshan Development Company hopes that central departments can provide the port with some mandatory sources of goods to alleviate the economic pressure on its operation.

According to reports, the problem concerning port-building in Shenzhen has drawn the attention of central departments concerned. Several working groups have been sent to south China and the Zhujiang Delta to investigate and find out the needs for developing ports in these areas. The results of their work will be used as a basis for formulating plans for building ports in south China. The Shenzhen Special Economic Zone is one of these areas to be investigated and studied.

PRC REFORMS LABOR SYSTEM IN STATE-OWNED ENTERPRISES

HK290820 Hong Kong TA KUNG PAO in Chinese 29 May 86 p 1

[Report: "The Reform of the Labor System of State-Run Enterprises To Be Carried Out Throughout the Country This Year"]

[Text] According to sources in Beijing, the reform of the labor system in state-owned enterprises, as an important part of the urban economic structural reforms, will be carried out in an all-round way in all big cities of the country. The State Council recently deliberated and approved the "Interim Regulations for Adopting the Labor Contract System in State-Owned Enterprises" at a routine meeting, and will soon officially promulgate this document and put it into practice.

The purpose of the labor system reform this year is to better arouse the workers' initiative and creativity so as to enhance labor productivity and to make the enterprises more dynamic.

According to the State Council's regulations, state-owned enterprises will employ workers on the basis of labor contracts, which are signed between the enterprises and the workers voluntarily after reaching agreement through consultation. The contracts take a written form to clearly define the responsibilities and duties of both sides, and they have legal binding force. The contracts will not be effective after they expire, but they can be renewed if necessary.

The interim regulations stipulate that the pay to workers employed according to labor contracts may be higher than permanent workers doing the same job, and that the workers employed according to labor contracts also enjoy the same welfare treatments as permament workers doing the same job in the same enterprise. The interim regulations also specify a number of conditions under which the enterprises can dismiss workers employed according to labor contracts.

In connection with the labor contract system, the State Council will promulgate the "Interim Regulations" on the Dismissal of Workers by State-Owned Enterprises" and the "Interim Regulations on the Unemployment Insurance for Workers of State-Owned Enterprises" at the same time. The State Council has ordered the department concerned to formulate some interim regulations for reforming state-owned enterprises' system for recruiting new workers.

HAINAN CADRES CONVICTED FOR AUTOMOBILE CASE CRIMES

HK290400 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1639 GMT 28 May 86

[Dispatch from Haikou: "Three Leading Hainan Cadres Are Sentenced for Their Part in the Automobile Case" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 28 May (ZHONGGUO TONGXUN SHE) -- The Intermediate People's Court of the Hainan Administrative Region held a sentencing in Haikou on 24 May. Lin Taosen, former director of the Hainan CPC Regional Committee's Organization Department and member of the Standing Committee of the regional party committee, was sentenced to life imprisonment for breaking the criminal law in the "Hainan automobile incident." Guan Xing, former editor in chief of HAINAN RIBAO and chairman of the board of the Hainan News and Cultural Equipment Service Company. was sentenced to 5 years' imprisonment, Zeng Shan, former member of the editorial committee of HAINAN RIBAO and general manager of the Hainan News and Cultural Equipment Service Company, was sentenced to 2 years' imprisonment.

Lin Taosen made use of his power and official functions to resell 31 imported vehicles from late September to mid-November 1984. The turnover of his illegal transactions reached 2,719,00 yuan and he reaped ill-gotten profits of 64,340 yuan. Lin Taosen personally pocketed 36,000 yuan. Lin was arrested on 20 September 1985, but he refused to confess. The court judged that Lin's action constituted speculation and his crime was serious, so the court sentenced him to life imprisonment and deprived him of political rights for his whole life.

In their capacity as chairman of the board and general manager of the Hainan News and Cultural Equiment Service Company, respectively, Guan Xin and Zeng Shan signed contracts with some Hong Kong businessmen in September to import 100 renovated vehicles. After signing the contract, the Hong Kong businessmen said the vehicle price was set too low and the interest burden was too heavy for them, and they asked for some compensation. Then Guan Xin and Zeng Shan decided to pay another 3,000 yuan for each car imported without regard to the relevant regulations of the regional government and without authorization. After the vehicles wre delivered, they continued to pay extra money they paid included 170,000 yuan in renminbi, 84,655 Hong Kong dollars, 20,690 U.S. dollars, and 10,000 Singapore dollars. After their case was cracked, the authorities recovered 100,000 yuan in renminbi, one Toyota van, and one car worth 85,00 yuan in renminbi.

Guan Xin and Zeng Shan, who knew that they did not have the power to sign vehicle import contracts and to decide the price for the vehicles, abused their power and illegally paid huge amounts of public money to Hong Kong businessmen without regard to the interests of the state, thus causing serious economic losses to the state. After the deals were over, Guan Xing ordered Zeng Shan and other people to prepare false documents and alter their case more serious. The court judged that Guan Xin committed the crime of malfeasance and sentenced him 5 years' imprisonment. It judged that Zeng Shan committed the crime of malfeasance and sentenced him to 2 years' imprisonment.

At the same sentencing, the court also sentenced Li Yulin to 5 years' imprisonment. Li was formally a buyer of the Haikou City Materials Supply Company. He participated in Lin Taosen's speculative activities.

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GENERAL

U.S. SAYS SALT II 'OBSOLETE' AT NATO MEETING

OW010107 Beijing XINHUA in English 2355 GMT 31 May 86

[Text] Ottawa, May 31 (XINHUA) -- The United States wants to replace the Strategic Arms Limitation Treaty (SALT) II with a new nuclear arms control pact despite criticism from its allies during a two-day NATO meeting in Halifax. At the end of a meeting of foreign ministers of the North Atlantic Treaty Organization countries yesterday, U.S. Secretary of State George Shultz said that SALT II is "obsolete, unratified and violated" and it is time to go on to something else. He added that until there is an agreement for real reductions in nuclear weapons, the United States has a responsibility to itself and its allies to maintain the effectivess of its deterrent capability.

U.S. President Ronald Reagan said earlier this week that his country will exceed the SALT II limits on key weapons before the end of this year.

At the opening session of the NATO meeting, Britain, France, Canada and Federal Germany urged the U.S. Government to abide by the terms of the SALT II, despite alleged Soviet violations.

The United States and the Soviet Union agreed on the SALT II Treaty in 1979, but the former refused to ratify it following the Soviet invasion of Afghanistan. Later both sides agreed to abide by its terms.

In a statement released yesterday, the NATO ministers agreed to set up a task force on conventional arms control to explore Western proposals for disarmament in central Europe. Establishment of the task force is in response to Soviet leader Mikhail Gorbachev's remarks in East Berlin on April 18 that the Soviet Union is willing to pursue conventional force reductions from the Atlantic to the Urals.

Meanwhile, more than 350 peace demonstrators carrying signs reading "NATO Means Death" near the meeting site urged Canada to withdraw from the organization.

SOVIET STATEMENT ON SALT-II OBLIGATIONS

OW311438 Beijing XINHUA in English 1428 GMT 31 May 86

[Text] Moscow, May 31 (XINHUA) -- The Soviet Union declared today that it will not feel bound by the strategic arms controls agreements if the United States exceeds the arms ceilings imposed by these agreements. In a strongly-worded government statement published by the official news agency TASS today, the Soviet Union condemned U.S. President Ronald Reagan's May 27 announcement as "exceptionally dangerous" and "an outright renunciation" of these agreements.

Reagan announced Tuesday that the United States would not be bound by the "fundamentally flawed" Stratagic Arms Limitation Treaty (SALT II) in its future military decisions. This marked the first time the Reagan administration has declared a readiness to break out from the ceilings imposed by the treaty.

The two superpowers first signed an interim agreement in 1972 to limit strategic missiles (known as SALT I), which was supplemented by a second Strategic Arms Limitation Treaty (SALT II) signed in 1979 by former U.S. President Jimmy Carter and the late Soviet leader Leonid Brezhnev.

SALT II imposes a ceiling of 1,320 multiple-warhead missiles and long-range bombers carrying cruise missiles for both superpowers.

The Soviet Government said in the statement that it "will not watch impartially how the United States is breaking down the agreements reached in the sphere of the limitation of strategic offensive arms." "As soon as the USA goes beyond the established levels of arms or otherwise violates the main provisions of the mentioned agreements (SALT I and SALT II) observed by the sides until now," the statement declared, "the Soviet Union will consider itself free from the relevant commitments under the 1972 interim agreement and the SALT-2 Treaty and will take the necessary practical steps to prevent the military-strategic parity from being upset."

The statment added, "these measures will rule out the possibility of the United States acquiring advantages in the main types of new strategic arms which it is developing now and which it intends to phase into service." The statement warned the United States not to have illusions that it will manage to get military advantages at the expense of the security of others.

Reiterating the Soviet position on a new summit meeting between Reagan and Soviet leader Mikhail Gorbachev scheduled for this year, the statements said, "such a meeting requires the readiness of the American side to achieve concrete results on at least one or two questions in the sphere of security, and also the existence of a relevant political atmosphere." "It is clear that the challenging move made by the United States in no way attests to either one or the other," the statement added.

BEIJING REVIEW INTERVIEWS UN FOOD PROGRAM CHIEF

OW011014 Beijing XINHUA in English 0756 GMT 1 Jun 86

[Excerpts] Beijing, June 1 (XINHUA) -- U.N. food aid project in China are very well planned and executed, said James Charles Ingram, executive director of the United Nations' World Food Program. During a recent interview with China's English language weekly "BEIJING REVIEW", he said that he had a "very good impression" on how the U.N. aided projects were executed in China. Since 1979, the World Food Program has signed 37 agreements with the Chinese Government on cooperative projects in China. These projects involved soil improvement, irrigation works, afforestation, fish farming and dairy production. James C. Ingram visitied China at the invitation of He Kang, Chinese minister of agriculture, animal husbandry and fisheries.

He said that the World Food Program is recommending three projects in 1986 in China. One is the development of Fish production in Jiangxi Province around the Poyang Lake. Another is the construction of forests and soil amelioration in Hebei Province and the third is for aquaculture development. That is again fish farming around a number of major cities including Changchun in northeast China, Nanjing in Jiangsu Province, Hefei, capital of Anhui Province, Changsha in Hunan, Xian in Shaanxi, Kunming in Guangxi, Yinchuan in the Ningxia Hui Autonomous Region and Hohhot in Inner Mongolia.

"What we do with food aid is not only to help improve the nutritional circumstances of the poor people but to use the food as an incentive to the beneficiaries to engage in productive work of one kind or another," he said. He said that cooperation of governments undertaking projects and supporting projects is a very good way to promote international cooperation.

WEINBERGER OPPOSES USSR ATTEMPTS TO BLOCK SDI

OW020552 Beijing XINHUA in English 0532 GMT 2 Jun 86

[Text] Washington, June 1 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger said today that he would oppose an extension of the 1972 Anti-Ballistic Missile (ABM) Treaty with the Soviet Union if it prevents the United States from developing its Strategic Defense Initiative (SDI) program.

Appearing on the Columbia Broadcasting System's program "Face the Nation", Weinberger asserted that since 1983, the Soviet Union has tried in every discussion on arms control to convince the United States to give up the SDI program and agree to an extension of the ABM Treaty. That is "something obviously we would be very much opposed to," he said. "I would certainly oppose anything that blocked or in any way prevented our developing strategic defense," he declared.

The 1972 ABM Treaty prohibits developing, testing or deploying any kind of space-based strategic system. But the United States argued that SDI is a research program which is compatible with the treaty. Weinberger said the U.S. aim in developing strategic defense is to "regain sufficient deterrent strength." "This requires moving inside and outside some of the very artificial limits" set out in the previous arms control agreements with the Soviet Union, he said. He said it is "absolutely right" for President Ronald Reagan to place "very high priority" on SDI. "I would like to see us develop a thoroughly reliable strategic defense initiative and deploy it," he said.

Defending Reagan's decision on Tuesday that the United States will no longer abide by the SALT (Strategic Arms Limitation Talks) II Treaty, Weinberger said it is in the U.S. interest "to decide that we should acquire for our own national security the things that help our security best, and not the things that are designed simply to stay within the artificial limits of a flawed and expired treaty." He asserted the Soviet Union has been violating the treaty for a long time and has already had "a head start" in the arms race.

WEINBERGER INVITES USSR DEFENSE MINISTER TO U.S.

OW310024 Beijing XINHUA in English 2357 GMT 30 May 86

[Text] Washington, May 30 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger has formally invited Soviet Defense Minister Sergey Sokolov to visit the United States sometime this year, according to today's local press reports. Weinberger told Congress in a letter dated April 23 that he decided to invite his Soviet counterpart to the United States, but the invitation was not confirmed by Pentagon until yesterday. No Soviet defense minister has previously visited the United States either as part of a summit or a ministerial level exchange, according to Pentagon officials. The visit would be the first by a Soviet defense minister.

Weinberger said in the letter to the chairman of the Senate and House Armed Services Committees that "the first step would be a meeting between the Soviet defense minister and myself, and I have invited Marshal Sokolov to visit the United States this year." His invitation is aimed at building "a more stable relationship" between the Armed Forces of the two countries, he added.

The Soviet Union has not yet responded to the invitation, U.S. Defense Department spokesman Robert Sims told reporters. He expressed the hope that "Marshal Sokolov will accept" the invitation.

BEIJING JOURNAL EXAMINES 'REAGAN DOCTRINE'

HK291316 Beijing SHIJIE ZHISHI in Chinese No 10, 16 May 86 pp 2-4

[Article by Fang Sheng: "The 'Reagan Doctrine' Makes a Pose"]

[Text] The term "Reagan Doctrine" has appeared frequently in the U.S. press in recent months. The U.S. press is accustomed to using the formula "President's name plus doctrine" to sum up certain characteristics of, or a new trend in, U.S. foreign policy. The appearance of a president's name in its foreign policy usually suggests an important change.

Content: Contending in the Third World

The "Reagan Doctrine" began to appear at a "208 Committee" meeting. The "208 Committee" is an interdepartmental secret committee composed of high ranking representatives of the State Department, the CIA, the Defense Department, and the National Security Council. The "208 Committee" was named after the number of the room in the old administrative building in the White House where the committee met. It is responsible for planning and coordinating all of the CIA's paramilitary operations. Recently the committee came to the conclusion that over the past year, Soviet-supported forces have used more powerful antipersonnel weapons and adopted more threatening tactics against anti-Soviet forces in Afghanistan and the National Union for the Total Independence of Angola (UNITA) guerillas. The situation in Angola is different from that in Afghanistan, which is under the occupation of Soviet troops. Reagan calls the guerrillas in these two countries anti-Soviet "freedom fighters" and has made up his mind to give them aid. In a defense report on 26 February this year, Reagan said: "We want to indicate that the falling of a series of governments into communist control will stop from now on." Thus, the conservatives called this new principle the "Reagan Doctrine." Obviously, the doctrine is related with this new principle by which the United States tries to make the Soviet Union lose its advantages in the Third World through supporting the anti-Soviet "freedom fighters."

In fact, this new principle is not fresh. As early as January, Defense Secretary Weinberger pointed out in a speech that the United States should seek methods to assist the guerrillas who are fighting communist governments. Some conservative strategists discussed how to repel Soviet expansion through "low-intensity wars." Long before this, when his first term of office was nearly ended, Reagan already had the idea of "stopping" and "counterattacking" Soviet threats on U.S. interests in the Third World. The difference is that this idea has now turned into an explicit policy.

After a period of consideration, Reagan delivered on 14 March, a message entitled "Freedom, Regional Security, and Global Peace," systematically summing up U.S. policy toward the Third World and making little adjustments of its past practices in line with the new situations in Haiti and the Philippines. The message points out for the first time that the United States is opposed to any form of tyrannical rule, be it of a leftist or rightist nature. Some people are of the opinion that this is a revision of previous U.S. criterion for supporting other countries on condition that the countries to be supported must be anti-communist, and have therefore called this message the "new feature" of the "Reagan Doctrine." The nucleus of the "Reagan Doctrine" is this: "Support 'freedom fighters' in communist-ruled countries and push back the political and military progress the Soviet Union has made." The doctrine is characterized by a strong attitude toward the Soviet Union.

Viewed from the 14 March message, the "Reagan Doctrine" can be summed up in three points. First, it affirms that the Soviet Union extended its influence too far in the 1970's and that it is difficult for it to consolidate its progress, as it is beset with difficulties at home and abroad; it denies that Soviet progress is irresistable and that Soviet vested interests are unalterable; and it proposes taking effective measures to check Soviet strategic, expansionist aims. Some people call this a strategy of "limited push-back." Second, as to pro-Soviet countries in hot regions, the doctrine proposes increasing military aid for anti-Soviet armed forces in these countries with the aim of overthrowing the pro-Soviet governments or seeking a political solution under favorable conditions. Third, with regard to Third World countries with pro-U.S. right wing "dictatorial governments," the doctrine encourages democratization movements there so as to enable them to carry out reforms and prevent the Soviet Union from availing itself of disturbances there. As to other Third World countries, the doctrine treats them according to their different conditions and suggests that military, security, and economic aid be provided for them for the purpose of stabilizing the situation, alleviating their difficulties, and preventing Soviet infiltration.

Background: Thinking That the Situation Is Favorable

The emergence of the "Reagan Doctrine" was not accidental; it had a profound domestic and international background. To put it more specifically, it cropped up in a situation when the United States had rehabilitated its strength, the Soviet Union was in economic difficulties, and the situation in the Third World began to change in favor of the United States. The United States has maintained a continuous economic growth for 40 months since its economic recovery at the end of 1982. Although there have been ups and downs during this period, on the whole it has not found the going very tough. This year, due to a steep fall in oil prices and a favorable economic situation in Western Europe, it is expected that the U.S. economy will continue to grow. The United States is leading in terms of advanced technology. U.S. military strength has grown stronger as a result of armament readjustment over the past 5 years. As revealed by a U.S. reporter recently, Reagan is of the opinion that in the balance of forces, the United States is in a more favorable position than the Soviet Union and that the United States is stronger than it was 5 to 8 years ago, whereas the Soviet Union is weaker. Following the growth of its economic and military strength, the conservative forces in the United States have become more active and are trying to control U.S. foreign policy. Some people maintain that the conservative forces in the United States are reaching their summit, that more and more Americans consider themselves to be conservative, and that the conservative forces will further grow following U.S. economic development. In short, the United States has favorable conditions for pursuing the "Reagan Doctrine."

Comparatively speaking, the Soviet Union is now in a passive position. The Soviet Union is trying to concentrate its efforts on invigorating its economy and to realize the "speeding up strategy" of doubling its production within 15 years. For this reason, it has readjusted its foreign policy and proposed that it is necessary to "appraise its own possibilities" with "extraordinary accuracy" and to be "self restrained" and "responsible" while making decisions, so as to prevent overestimating itself and making an incorrect assessment of the situation.

Meanwhile, the change and development trends in the Third World have exerted a major impact on the world situation, including U.S.-Soviet relations. The Soviet expansionist policy pursued since the 1970's has brought about unrest in some regions, and this has aroused more and more dissatisfaction and vigilance in Third World countries. On the other hand, the economic situation in many developing countries is not good, but the Soviet Union is unable to help them as it is in economic difficulties itself. The Soviet economic development mode is drawing less attention from the Third World.

Some Third World countries hope to receive economic aid from the United States and to strengthen economic relations with it in order to reduce and alleviate their economic difficulties. Therefore they pay attention to improving diplomatic relations with the United States. In addition, political democratization movements are tending upward in some Third World countries, and the United States is trying to enable these movements to develop in a direction favorable to itself.

Measure: Carrying Out Raids on Libya

In recent months, the United States has taken some strong measures against the Soviet Union. International opinion holds that the following two actions indicate the initial implementation of the "Reagan Doctrine." First, not long ago, the United States provided several hundred advanced American-made weapons -- TOW missiles -- for UNITA and anti-Soviet forces in Afghanistan. A U.S. press analysis reveals that providing advanced American-made weapons for the "rebel forces" suggests a major change in U.S. policy. Over the past 40 years, the U.S. Government has all along forbidden the use of advanced American-made weapons in its secret competition with the Soviet Union; it only permits the providing of other countries with weapons purchased from the international arms market or U.S. allies. It is said that this breakthrough in U.S. traditional policy may possibly escalate the wars in Afghanistan and Angola and therefore "add an important new chapter to long-standing U.S.-Soviet contention." Some people have even called this action a "new breakthrough" in the "Reagan Doctrine" which will possibly produce a "major historical impact" of enlivening the "Reagan Doctrine."

Second, on two occasions in less than a month, from 24 March to 15 April, the United States used military force to launch raids on targets in Libya. The attack on 15 April in particular, was said to be an air raid on the largest scale carried out by the United States since the end of the Vietnam war. This action marked a major change in U.S. military strategy. In the 1970's, the United States divided war into four types: strategic nuclear war; nuclear war in a war zone; conventional war in a war zone; and local war, which is on a smaller scale than the third type. Now, the Reagan administration divides war into another four types: nuclear war, large-scale conventional war; small-scale conventional war; and low-intensity war. The Reagan administration maintains that although the danger of the four types of wars reduces in their given order, the possibility increases in their given order. It has confirmed that a conventional war, and in particular a low-intensity clash, poses the most practical threat. Low-intensity clashes refer to terrorist activities, sabotage activities, guerrilla wars, and other limited regional conflicts. The United States is of the opinion that these regional clashes have provided conditions for Soviet expansion. To deal with low-intensity clashes, the United States has in recent years, stepped up the building of its conventional forces, shifting from its previous nuclear threats to the practical use and threats of its conventional force. The previous practice proved that nuclear threats alone obviously could not prevent the occurrence of low-intensity clashes. There is little possibility for a conventional war to escalate to a nuclear war on condition that the United States and the Soviet Union maintain a balance of nuclear power. In terms of operational principles, the United States pursues flexible, counteroffensive, and multioperational tactics, with emphasis on bringing into play the technological superiority of the U.S. Army, launching attacks on the enemy's weak points, "fighting no battle unless victory is sure," and "withdrawing immediately after a strike," so as to prevent such a "gradual escalation" as in the Vietnam war. The United States asserted that these two military actions were not directed at the Soviet Union, but naturally, people related them with the Reagan Doctrine" due to the fact that the Soviet Union provides aid for Libya. A U.S. press comment pointed out that U.S. military action against Libya seemed to indicate the following to the Soviet Union: Not only does it have actual strength, it also has the determination to protect its interests, if necessary, by military means.

Apart from these two instances, the "Reagan Doctrine" has also manifested itself in the following aspects. For example, the Reagan administration is trying every possible means to persuade Congress to approve the plan to provide aid worth $100 million to the anti-government forces in Nicaragua. Recently, the United States dispatched army and government envoys to many Asian, African, and Latin American countries with the aims of providing aid or security guarantees, selling advanced fighter planes, or discussing the establishment of arsenals. Furthermore, the policy adopted by the United States toward Haiti, and the Philippines earlier, was referred to as a manifestation of the "Reagan Doctrine" or the companion to the "Reagan Doctrine" -- the "third force strategy." In short, the various measures clarified in the 14 March message have manifested themselves in a series of recent events. It seems that the United States really has great determination in pursuing the "Reagan Doctrine."

Prospects: Very Doubtful

Will the "Reagan Doctrine" reach its aim? What will its fate be finally? International opinion cannot find definite answers to these questions. Not long after the 14 March message was broadcast, some people made an analysis of the contradictions between the aims and means of the "Reagan Doctrine," and held that the U.S. assessment of having military superiority over the Soviet Union was not practical. In the present situation in which the United States and the Soviet Union maintain a strategic balance of power, pursuing the "Reagan Doctrine" will finally led the United States to the predicament in which it will find it difficult to decrease its aim or to expand its means. As the "Reagan Doctrine" is characterized by expeditions, its aim is very difficult to reduce; and escalating its means would be as bad as taking the risk of losing Congressional support, as well as support from the people in the country and abroad. Although the two military actions did not arouse popular opposition in the United States, they caused widespread repercussions in the rest of the world. Most of the countries in the world object to pursuing a country's foreign policy by force of arms, or by wantonly violating another country's territorial integrity and sovereignty. In addition, Americans themselves have different opinions on whether force of arms can settle the problem of "terrorism."

In the 14 March message, Reagan admitted that the United States should be cautious and practical about direct military involvement because the United States itself has limited strength, and that "only by cooperating with other countries, can the United States succeed in realizing its aim." The United States thinks that the Third World is growing to the advantage of the United States. This judgment is very doubtful, as matters in the Third World are very complicated. Take as an example the democratization movements which, in the United States' opinion, have brought "extraordinary hope" to it. In the final analysis, these movements are Third World internal affairs. Any attempt to put the development of other countries' internal affairs into the political orbit of a superpower by exerting external influence will certainly meet with dissatisfaction and resistance. The Third World countries want peace and development. Their readjustment of their domestic and foreign policies is to keep pace with the needs of their own development and not to meet the political needs of larger powers. Therefore it is difficult to imagine that they are willing to serve as tools of conflict between larger powers. What facts have proved is contrary to this. In striving for political independence and seeking economic development, the Third World must oppose intervention and control by larger powers. This really is an irresistible historical trend.

The United States' pursuance of the "Reagan Doctrine" has challenged Soviet vested interests in certain regions in the Third World.

The Soviet Union will not give its vested interests away to others. In fact, no one has discovered Soviet readiness to abandon its vested interests in the Third World due to U.S. pressure. Contrary to this, what people have noticed is this: After the second U.S. raid on Libya, the Soviet Union declared the cancellation of the scheduled U.S.-Soviet foreign ministerial meeting in May; and over 2,000 Soviet troops and 5,000 Afghan Government troops launched fierce attacks on an important anti-Soviet forces in Afghanistan.

Due to various restrictions and limitations both objective and subjective, the implementation of the "Reagan Doctrine" will certainly meet with insurmountable obstacles and difficulties and will inevitably make U.S.-Soviet contention in the Third World sharper and more complicated.

FORMER U.S. OFFICIALS URGE MAINTAINING SALT II

OW300416 Beijing XINHUA in English 0124 GMT 30 May 86

[Text] Washington, May 29 (XINHUA) -- Several former U.S. government officials today warned that President Ronald Reagan's plans to break the SALT II (Strategic Arms Limitation Talks) Treaty with the Soviet Union will result in an unrestrained arms race between the two superpowers.

Reagan announced Tuesday that he has decided to disregard the SALT II limits at the end of this year unless the Soviet Union takes measures to end alleged violations of that and other arms control agreements and negotiates seriously in Geneva.

At a press conference called by the Private Arms Control Association, former Defense Secretary Robert McNamara criticized Reagan's decision as "totally inappropriate."

"Without SALT, the entire structure of offensive arms limitation which has been laid down over a period of 20 years by four presidents -- Johnson, Nixon, Ford and Carter -- will be destroyed," he warned.

In that case, McNamara said, the Soviet Union would respond by adding to its arsenal of heavy land-based nuclear missiles compelling the United States to add nuclear weapons of its own.

"Then we will face an unrestrained arms race," he said.

The Soviet Union warned on Tuesday, shortly after Reagan's announcement, that if the United States scraps the SALT II Treaty, it will take necessary measures to effectively safeguard the Soviet Union and its allies.

Paul Warnke, who took part in the negotiations with the Soviet Union on the unratified SALT II Treaty, said that Reagan's decision is "inconsistent" with U.S. national security.

Without the treaty, Warnke predicted, the Soviet Union will in a relatively short period of time "add probably at least twice as many ICBM (intercontinental ballistic missiles) warheads as they have at the present time."

Another ex-negotiator, Gerard Smith, called Reagan's decision an "ideological" one, reflecting "pressures from people who don't like arms control." Smith asked the U.S. Congress to restrain the Reagan administration by responding to its military budget requests "at a more moderate pace."

'IMPORTANT CHANGE' IN U.S. ARMS POLICY

HK010748 Beijing RENMIN RIBAO in Chinese 1 Jun 86 p 6

["Roundup" by Zhang Yunwen: "An Important Policy Change"]

[Text] President Reagan announced on 27 May that he has ordered the dismantling of two old Poseidon submarines. The next day, a new nuclear submarine armed with 24 multi-warhead Trident missiles started its sea trials. The President took this action because if he had not dismantled the two old vessels, the number of U.S. multi-warhead missiles would have exceeded the limit set by SALT II of 1979. However, Reagan announced at the same time that the United States will not be bound by this treaty when it deploys new B-52 bombers carrying cruise missiles before the end of this year. Senior government officials stressed that this is a new policy decision, showing that in the future the administration will not base its decisions on the deployment of new weapons on SALT. U.S. analysts pointed out that this is the Reagan administration's "most important" change to date in the field of arms control.

SALT II was an agreement reached by the United States and the Soviet Union in 1979 during the term of President Carter. The Senate refused to ratify the treaty after the Soviet Union invaded Afghanistan. However each side has stated that it will not violate the treaty's provisions so long as the other side abides by them.

President Reagan has consistently opposed this treaty, but he has adopted a "policy of not breaking it." In June last year and April this year, Reagan declared that he would continue to abide by the treaty. Reagan's sudden change now has aroused strong controversy among senior government officials. There have always been two schools of thought within the Reagan administration over how to regard SALT II. Civilian officials in the Defense Department and officials in the disarmament administration have vigorously opposed continued adherence to this treaty, on the grounds that the Soviet Union has long ago broken the treaty through a whole series of moves such as deploying new SS-25 intercontinental missiles and building giant radars, and so the United States should not unilaterally abide by the treaty. However, certain officials in the State Department and the Joint Chiefs of Staff Conference advocate that the United States continue to abide by the treaty. They are worried that after the treaty is scrapped the Soviet Union will be in a still more advantageous position in arms control negotiations.

According to American public opinion, Reagan's 27 May decision took account of both these schools of thought, but leaned more toward the hard-liners. When the United States this autumn deploys its 131st multiple independently-targetable reentry vehicle, and the number of B-52 bombers must not be exceeded, it will break through the limit of 1,320 stipulated by the treaty [sentence as published]. Some disarmament experts point out that this decision shows in substance that the United States will no longer be bound by the treaty. Weinberger repeated in a speech at West Point Military Academy on 28 May that the United States will no longer be bound by SALT II. Shultz said at the NATO foreign ministerial meeting on 30 May that the treaty "is already out of date." (Warnke), who took part in the treaty negotiations, acknowledged that the hard-liners in the administration have come out the winners in a policy debate, and the President has now informed the Soviet Union that "the treaty is dead."

Reagan's decision has greatly disappointed arms control advocates inside and outside the administration and in Congress. These people hold that President Reagan has now changed his original "political commitment" and "retreated" on disarmament policy. This will result in the arms race getting out of control. According to reports, Congress is currently discussing the adoption of a new restraining resolution. The NATO foreign ministers currently meeting in Canada have also expressed profound disquiet over this policy decision.

Analysts hold that this policy change of the Reagan administration is aimed partly at reassuring conservative Republicans in Congress before the mid-term elections, and is partly an attempt to force the Soviet Union into concessions.

American observers also point out that President Reagan's 27 May statement also leaves room for maneuver. While announcing that the deployment of new bombers before year-end would not be bound by the treaty, he also said that if the Soviet Union takes "constructive measures," and stops its consistent treaty violations, and if progress is made in the Geneva disarmament talks, then he will reconsider the matter. The inference is that he may continue to abide by the treaty. Nitze, the State Department's disarmament adviser said that although the decision has been made, people should "see what happens."

The second half of this year is the decisive period for the fate of SALT II. At present, two-thirds of congressmen advocate maintaining the existing treaty, while the Western European allies are strongly opposed to scrapping it. The possibility remains of a U.S.-Soviet summit after the mid-term elections. All these factors may lead the Reagan administration to make a new choice.

USSR REACTS TO U.S. DECISION ON SALT II

OW010614 Beijing XINHUA in English 0544 GMT 1 Jun 86

[Text] Moscow, May 31 (XINHUA) -- In its first official reaction to the U.S. intention to exceed weapon limits set by the Strategic Arms Limitation Treaty (SALT) II, the Soviet Union said today it was considering itself free from the treaty commitments. A Soviet Government statement Saturday stated that the U.S. action was aimed at spiralling up the arms race, militarizing outer space and heightening international tension. As soon as the United States goes beyond the established levels of arms or violates other main provisions of the treaty, the Soviet Union will consider freeing it from relevant commitments and will take necessary practical steps to prevent the military-strategic parity from being upset, the statement said. "The American side should have no illusion that it will manage to get military advantages for itself at the expense of the security of others," the statement warned.

U.S. President Ronald Reagan said earlier this week that his country will exceed the SALT II limits on key weapons before the end of this year, while ordering decomissioning of two nuclear submarines. The Soviet Union, however, attributed the American action to budget funds saving instead of "a desire to observe the SALT II treaty provisions." "The President's decision signifies that the present U.S. leadership has resorted to an exceptionally dangerous measure in destroying the treaty system which curbs the nuclear arms race and thereby creates conditions for the conclusion of new agreements," the statement said.

The United States and the Soviet Union agreed on the SALT II Treaty in 1979, but the former refused to ratify it following the Soviet invasion of Afghanistan. Later both sides agreed to abide by its terms. The treaty limits the number of missiles in each country's arsenal that can be equipped with multiple warheads to 1,200 and sets a ceiling of 1,320 on the combination of bomber-carried air-launched missiles with the multiple warheads. At the end of a meeting of foreign ministers of NATO countries yesterday, U.S. Secretary of State George Shultz said that SALT II is "obsolete unratified and violated" and it is time to go on to something else.

The Soviet Government statement said that the U.S. Administration has adopted a version that undermines the foundation of the process of limiting and reducing strategic arms and opened the "floodgate for an uncontrolled race arms". This also made clear the "unconstructive stand" of the United States in the Geneva negotiations on nuclear and space arms, the statement said, adding that a new summit requires the American side to "achieve concrete results on at least one or two questions in the sphere of security" and a "political atmosphere." The challenging move by the United States in no way attests to either one or the other, the statement noted.

SOVIET SHIPPING DELEGATION SIGNS AGREEMENT

OW281154 Beijing XINHUA in English 1136 GMT 28 May 86

[Excerpt] Shanghai, May 28 (XINHUA) -- A Soviet ocean shipping delegation headed by Slava Kolyadko, deputy manager of the Sovfracht, left here today at the end of its visit to the city. During the visit, the delegation, the first of its kind ever sent to China in the past 20 years, conferred with leading members of the Shanghai branch of the China Ocean Shipping Agency on the establishment of a representative office of the Soviet Ocean Shipping Company in Shanghai and shipping cooperation between the two countries. According to an agreement signed between China's Ministry of Communications and the Soviet Ministry of the Merchant Marine, China's navigation company will also set up a representative office in Odessa.

JOURNAL ON CPSU CONGRESS, DEVELOPMENT STRATEGY

HK291059 Beijing SHIJIE ZHISHI in Chinese No 10, 16 May 86 pp 5-6

[Article by Lei Zheng and Shi Zhi: "27th CPSU Congress and Accelerated Development Strategy"]

[Text] Two months have passed since the 27th CPSU Congress, but today it is still a big topic of international commentary and discussion. It is the party conference that has attracted the most attention since the 20th CPSU Congress. Mikhail Gorbachev said: The decisions of this congress will determine the Soviet Union's "forward progress in the next several years and several decades as well as the nature and speed of its advance toward a brand new stature of socialist society," also determining the contenance and status of the Soviet Union's "entry into the 21st century." It may be said that this congress earmarked the Soviet Union's entry into a new era of development.

The Axis of the Congress -- Accelerated Development Strategy

In his closing address at the congress, Gorbachev said: "The principal political accomplishment of the 27th CPSU Congress" was the determination of the "general line for accelerating the country's socioeconomic development."

What is the strategy for "accelerating development"? According to Gorbachev's explanation, first of all, it is increasing the speed of economic development. Within the 15 years before the end of this century, national income will grow by 100 percent and the labor productivity rate will increase by 130 to 150 percent. This is to say, the work to be done in the next 15 years is equivalent to the total amount of work done by the Soviet Union in the 70 years since its founding. But acceleration does not merely imply increasing the speed; its essence lies in a "new qualitative and quantitative development," that is, seeking developing on the basis of intensified production. At the same time, acceleration is not confined to transformation in the economic sector but also calls for "enforcement of an active social policy," "improving social relations, and renovating the style and method of work of political organs and ideological organs, intensifying socialist democracy, firmly eradicating laziness, stagnation, and conservatism and all things impeding social progress." In his address on 8 April in Tolyatti Gorbachev said: The 27th CPSU Congress demands that "the various living sectors of Soviet society attain even speedier development," including the "economic, social, and spiritual sectors," and also "the political system."

What is the background of the CPSU advocating a strategy of "accelerated development"? Gorbachev explained its various phases as follows:

1. Speaking on the economic side "in the 1970's and early 1980's, the Soviet Union was noticeably behind in economic development," this "including not only speed but also labor productivity rate, efficiency targets, and slowness in grasping the fruits of technological progress." The Soviet economy "began to lose" vitality. The Soviet Union's economic growth rate was noticeably on the downturn, failing to complete the targets of three 5-year plans in succession.

Gorbachev's words were not without foundation. The average annual growth rate of the Soviet economy from 1981 to 1985 was 3.1 percent, lower than that of Japan (average annual growth rate of 4 percent during the same period). If both countries continue this development at the existing growth rate, the Soviet Union's existing slight superiority in GNP over Japan will vanish in no time and the Soviet Union will be unable to maintain its current position as the world's large economic power second only to the United States. The urgent wishes to accelerate development on the part of the CPSU Central Committee are thus not difficult to understand.

The major reason for lagging behind in economic development lies in "failure to understand" the "total acuteness and urgency of intensifying the economy and of the active utilization of the fruits of scientific and technological progress." Hence, the key to accelerating development lies in paying attention to intensifying economic development.

2. Speaking on the social, political, and ideological phases, "the actual movements of the party organs and government organs have fallen behind the demands of the era and of life itself ... laziness, ossified management style and method, decline in the urge for work, growth of bureaucratism ... social life beginning to show a declining phenomenon," lack of "desire for improvement," and shunning away from solving acute contradictions and from solving problems that have matured. In addition, there are various kinds of improper tendencies. The cadres' ideologies are suffering from the "bondages of outdated concepts;" some people have gone so far as to attempt to have Marxist theories "changed into stiff and ossified formulas and cure-all remedies for emergencies," failing to look into "our own concrete economic and political environments." All these things have impeded the Soviet Union's progress.

3. In the international arena, the Soviet Union is facing the three great challenges of the strategic defense plan of the United States, world scientific and technological development, and the economic reform of other countries. The CPSU leadership has made a "renewed assessment" of the international situation, believed the world situation has never been as "complicated and disadvantageous" as it is today, admitted that the capitalist countries still possess vitality and are still capable of maintaining their existing frontlines and recapturing past lost ground, and was worried that in the next 15 years there might come about a change resulting in adversity to the Soviet Union in the matter of comparative strength with other nations. They were deeply pained by the fear of "once falling behind, forever falling behind," and of the danger of the country being degraded into a third-class nation.

It was precisely under these internal and external actual conditions of the Soviet Union that the CPSU leadership decided to accept the challenges.

Economic Reform

How to carry out the accelerated development strategy?

Seen from the documents of the 27th CPSU Congress, the important link is economic reform. Gorbachev clearly pointed out: "The existing from of production relationship, and management and control structures, were formed under the conditions of crude economic development. They have gradually become outdated, begun to lose their stimulating role, and certain things have actually become obstacles." He called in a loud voice:

"The current situation is that the improvement cannot be only partial but we must go ahead with a fundamental reform" so as to establish an integrated, effective, and flexible management and control structure. People have come to notice the Soviet leadership as being accustomed in the past, when talking about "reforming" the economic structure, to use such words as "perfecting" and "transforming," but this time they loudly insisted on the necessity of a "fundamental reform."

The contents of economic reform are many-sided. They touch on the following list of problems: Bringing the enthusiasm of the economic constituents into full play, employing economic methods to manage the economy and making the relations between commodities and money become active tools in pushing the economic and social policies, doing a good job in handling the relationship between concentration of power and separation or division of power and in reforming the management system, liberalizing agricultural policy, readjusting the ratios of the various departments of the national economy, and changing the structural policies and investment policies. Naturally, the documents of the 27th Congress did not concretely mention the steps and measures for these various reforms. As for the ways and extent of the reform, they have yet to be seen from the measures taken from now on.

Display of Democracy and Expansion of "Openness"

When summing up the lessons learned from the past economic construction, Gorbachev stressed the following three important points: 1) It is necessary "to speak the truth;" 2) "Since the reform has already begun, it should not be abandoned half-way" but "should be carried out to the end;" and 3) It is necessary to make the populace "actively and consciously take part." Obviously, accelerated development demands that there must be renovation and reform in the political sector. As seen from the documents of the 27th Congress, the basic direction of the renovation and reform is toward displaying democracy and expanding "openness" or publicity.

In Gorbachev's words, if democracy is not displayed, "accelerating social development is inconceivable." Meanwhile, "not being open means the lack of democracy." Openness means that "all the acts of the state and society must be placed under the people's supervision and watchfulness." Concerning political reforms, Gorbachev made mention of the following thoughts in his report: The central government must delegate its power management organs must be simple and efficient, party and government organs must be open in their activities, management and decisionmaking must be democratic, promotion of cadres at grass-roots levels must go through election, legal codes must be healthy and perfect, and the style and method of work of the leadership must be changed. Since reform of the political structure is related to complex and complicated interest relationships, how these thoughts are carried out can only be seen from subsequent actual practices.

Science and Technology Take the Lead

The measure to realize the strategic target of accelerated development calls for the parallel enforcement of reform with speeding up the development of science and technology as the center and making it serve as the principal lever for intensifying the economy.

According to estimates made by Western experts, the current scientific and technological level of the Soviet Union is below that of the Western developed countries by 15 to 20 years. Due to the prolonged crude management of the economy, although certain Soviet products have gained parity in production quantity with the United States, many still have the drawbacks of being low in technology, in quality, and in benefits, while their consumption rate of raw materials in production is generally high. If this situation prevails, it is possible that the disparity from the Western states will be further widened. Since his ascension to power, Gorbachev has energetically taken hold of the problem of scientific and technological development. In June last year, the CPSU specially called a conference on the problems of scientific and technological progress. In December, the Soviet Union and other constituent members of the CEMA jointly formulated an outline for scientific and technological development in the next 15 years. This time, the decision of the 27th CPSU Congress on the accelerated development strategy has all the more confirmed placing scientific and technological development in the first place, striving hard to achieve, through high technology, and quality of products, high efficiency, and high speed. For this reason, the machine building industry will be given priority in development, development of technology-intensive industries will be accelerated, the management structure of science and technology will be reformed, and international cooperation in science and technology and tehnological imports will be strengthened.

Summing up, the two principal links in the accelerated development strategy are structural reform and scientific and technological development. Grasping the two links and giving impetus to the whole constitute a "cure-all" remedy for Soviet society, aiming at the realization of the fighting target of doubling the Soviet economic strength by the end of this century.

The economic reform plan of the 27th CPSU Congress only points out the main direction. In Gorbachev's words, the reform "has just begun," "difficulties are entirely possible," and "there is no guarantee that there will be no errors." At the same time, the reform is bound to meet with obstacles. In this connection, in his speech at Gu-Bi-Xue-Fu, Gorbachev mentioned the following: Certain people do not understand the reform; certain party and government organs are unwilling to make any basic changes or reform and are slow in their actions, even suppressing the creative spirit of the populace; certain people, though voicing support, have continued to behave the same in actual deeds; and certain localities have resorted to "formalism" and have "performed few actual deeds" in supposedly carrying out the decisions. How these impeding forces will be overcome and what future is in store for the reform still remain to be seen.

At present, the world has different assessments of whether the Soviet Union can realize the objective of the accelerated development strategy. Generally speaking, on the one hand, it is recognized that the Soviet Union's determination and ability cannot be underestimated; while on the other hand, it is also recognized that realization of the strategic target abounds with pitfalls, aside from being hindered by various internal forces which are social, political, economic, technological, ideological in nature and pertaining to customs and usages; certain external forces still constitute the sources of impediment; in particular, its arms race with the United States and its aggressive acts in various parts of the world have imposed on it an immensely heavy burden which inevitably scatters its manpower, material resources, and financial strength, thus adversely affecting the realization of the strategic target.

SINO-JAPANESE TRADE DELEGATIONS HOLD MEETINGS

Comments by Gu Mu

OW301756 Beijing XINHUA in English 1518 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Chinese State Councillor Gu Mu said here today that an active attitude toward trade balance is the only correct method to solve Sino-Japanese trade deficit, and it requires increased bilateral cooperation in economy, trade, science and technology. Gu Mu said this at a meeting with leading members of a Japanese trade delegation including Ryoichi Kawai, acting president of the Japan-China Economic and Trade Association, and advisers to the delegation, here today.

Noting that the Chinese Government has always held that China's trade deficit should not be allowed to exist long, Gu Mu said both sides should share the responsibilty in solving the problem. He urged the two sides to cooperate closely and explore new channels for expanding bilateral trade. China will, on its part, strives to raise the quality of products, improve packaging and increase varieties, he said. In addition to China's own efforts, bilateral cooperation is also needed. He expressed the belief that with concerted efforts from both sides, the problem of trade deficit will surely be solved.

Zhang Jingfu Meets Japanese

OW310708 Beijing XINHUA in English 0649 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- State Councillor Zhang Jingfu pointed out today for Sino-Japanese friendship to develop over a long period of time, the existing imbalance of trade between the two countries must be solved from a long-term point of view. He added if China's exports to Japan cannot expand, its imports from Japan will be affected as well. He made the remarks while meeting Ryoichi Kawai, acting president of the Japan-China Economic and Trade Association, and advisors and leading members of a visiting trade delegation headed by Kawai.

Zhang said China and Japan should recognize the existing problems including integration of technology transfer and trade, and integration of import and export trade. He hoped the Japanese entrepeneurs will take an active attitude toward these problems. He said provided both sides make common efforts in the light of the principles guiding the bilateral relations -- peace and friendship, equality and mutual benefit, mutual trust, and long-term stability -- and each gives full play to its own advantages, China and Japan will not become economic rivals and the prospect of bilateral trade will be broad. He hoped Japan will remain China's biggest trade partner not only now, but also in the 21st century.

Zhao Ziyang on Trade Deficit

OW311507 Beijing XINHUA in English 1450 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- Chinese Premier Zhao Ziyang told a visiting Japanese trade delegation today that China's trade imbalance with Japan should draw the serious attention of the two governments. At a meeting with the delegation here this afternoon, he said that in view of the present situation, the imbalance is still on the trend of expansion and this indeed requires both sides to make concrete efforts for the solution of the problem.

"To develop Sino-Japanese trade, both sides should view ahead and base themselves on the present," he said, adding that China should first make earnest efforts and Japan, too, should understand the urgency of the problem. To solve the problem, China should strive for the prolonged, stable and coordinated development of its economy and improve the quality of its exports, so as to enable more commodities to gear to the demand on the Japanese markets, he said.

Meanwhile, China should also improve its own investment environment and hoped that the Japanese side would open their markets, eliminate the man-made obstacles and provide it with more technology and consultancy services. With the joint efforts of both sides, the problem of China's trade imbalance with Japan can be solved, he said, adding that he was confident in the gradual expansion of Sino-Japanese trade.

Zhao noted that the size of a 163-member group comprising both government and firm representatives shows the attention of the Japanese side on the expansion of bilateral trade. He called the combination of the government and people for mutual promotion a significant characteristic of Sini-Japanese friendly relations. "The Japanese friends have come here to discuss ways of expanding Sino-Japanese trade and bilateral medium and long-term trade cooperation," he noted. "The Chinese Government attaches importance to their visit as well as to its positive results."

Zhao also acknowledged that economic and trade ties between the two countries are good and Sino-Japanese relations enjoy the best time in history. "Cooperation between our two countries have brought benefits to the two peoples and will help safeguard peace and prosperity in the Asia-Pacific region as well as peace in the world as a whole," he said.

Ryoichi Kawai, head of the delegation and acting president of the Japan-China Economic and Trade Association, told Zhao the visit is significant. "We will try out best to settle the problem existing in Japan-China trade," he said. He also expressed the hope that China would provide still better investment environment for Japan.

Teams Sign Meeting Minutes

OW310946 Beijing XINHUA in English 0936 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- China and Japan have agreed to make efforts for a long-term, stable and balanced development of bilateral trade as a four-day meeting of their trade delegations closed here today. According to the minutes of the meeting, signed by heads of the two delegations this afternoon, the two countries agreed that there are broad prospects for their economic relations and trade, and it is rather important to seek a long-term, stable and balanced development of their trade.

According to the minutes, China expressed willingness to intensify its efforts in building export-oriented plants and bases, improving the quality and packaging of its products, speeding up its delivery and finding new products for export. At the same time, China expressed its strong desire that Japan will take measures, which can get quick results, to help eliminate China's deficit. It calls on Japan to further open its market, reduce its tariffs, increase import quotas and lift restrictions in order to create favorable conditions for the entry into its market of certain Chinese products or for their improved access to the Japanese market. China also expressed the hope that the two countries will cooperate to tackle animal and plant quarantine problems as soon as possible.

Japan agreed to help China strengthen its ability to export and cooperate as far as possible with China in building export-oriented plants and bases. Japan expressed willingness to help China develop its export-oriented productions through sending experts here, receiving Chinese products, making market studies and assisting in technological transformation of outdated Chinese enterprises.

Delegation Heads Speak

OW311004 Beijing XINHUA in English 0945 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- China and Japan have pledged to work together to eliminate the imbalance in their trade at a meeting closed here this afternoon. Ryoichi Kawai, head of the Japanese delegation and acting president of the Japan-China Association for Economy and Trade, and Shen Jueren, head of the Chinese delegation and assistant minister of foreign economic relations and trade, spoke at the closing meeting.

Kawai said during its stay here his delegation met with leading members of Chinese Government departments and had friendly and constructive talks with them on developing bilateral trade. He described the meeting as fruitful. He said, the two sides recognized the importance of developing a long-term and stable cooperation between the two countries. The Japanese side is willing to contribute its share for expansion of China's export and construction of export production bases.

Shen Jueren said that the frank exchange of views between the two sides at the meeting achieved obvious results and promoted mutual understanding. The two sides are more clear of their own responsibility and have made further orientation and concrete objectives, he said. The meeting's results are positive.

Shen stressed the Chinese Government view that China's continued trade deficit with Japan would not do and it is essential to take active methods to develop Sino-Japanese trade by expanding China's export to Japan. He said he believed that persistent effort made by the two sides through sincere cooperation would lead to the solution of the problems and growth of Sino-Japanese economic relations and trade.

XINHUA INTERVIEWS PRC SPOKESMAN ON OLYMPICS

OW010824 Beijing XINHUA in English 0807 GMT 1 Jun 86

[Text] Beijing, June 1 (XINHUA) -- A spokesman for the Chinese Olympic Committee (COC) gave an interview with reporters from XINHUA NEWS AGENCY and Chinese sports paper "TIYUBAO" here recently. The following were questions raised by reporters on the proposed co-hosting of the 24th Olympic Games by the North and South of Korea, and the COC spokesman's responses:

The Olympic Committee of the Democratic People's Republic of Korea put forward a proposal last year to the International Olympic Committee (OIC) for the joint staging of the 24th Olympic Games by the two sides of Korea. Would you like to give some introductions on conditions concerned?

The COC spokesman said: The proposal by DPRK Olympic Committee has aroused attention from international sports circles. Under the chairmanship of the IOC President Juan Antonio Samaranch, the representatives of the Olympic Committees of the DPRK and South Korea held two talks last October and this January in Lausanne, Switzerland. In accordance with the International Olympic Committee, some headway and not any final agreement was achieved at the second reunion meeting. Hence, the third talks of the two sides of Korea will be held between June 10 and 11 in Lausanne.

How does the Chinese Olympic Committee feel about the DPRK Olympic Committee's proposal?

The Chinese Olympic Committee thinks the proposal by the DPRK Olympic Committee deserves serious attention. The proposal reflects the common aspiration of all Koreans. If the proposal can be realized, it will help further ease the situation on the Korean peninsula and will also be conducive to the peaceful reunification of the Korean nation, the holding of 1988 Olympic Games and the development of the Olympic movement.

From the beginning, the Chinese Olympic Committee has supported the DPRK Olympic Committee proposal. Zhong Shitong, president of the Chinese Olympic Committee, wrote a letter on September 19 of last year to IOC President Samaranch, expressing our attitude and hoping that the IOC will make efforts for success of the talks. Li Menghua, minister of the Chinese State Physical Culture and Sports Commission, reiterated our stand again in a letter dated on December 28 if 1985 to Kim Yu-sun, chairman of the DPRK Physical Culture and Sports Guidance Committee. The Chinese Olympic Committee also took other opportunities to do work for positive results of the Lausanne-talks of the two sides of Korea.

What are the prospects for the third reunion meeting for the two sides of Korea in Lausanne?

The Chinese Olympic Committee seriously hopes that the coming third reunion meeting will achieve positive results if the two sides approach the talks in the spirit of reconciliation and mutual understanding.

What effects will be brought about to the 1988 Olympic Games if the third Lausanne-talks later this month achieves no positive results?

IOC President Samaranch pointed out that he hopes the two sides of Korea will participate in the 1988 Olympic Games after efforts made by the Olympic movement. We heartily hope that the aspirations would be realized. The Chinese Olympic Committee also sincerely hopes that the development of the situation on the Korean peninsula and the results of the Lausanne-talks later this month will be beneficial to the participation of the all IOC membership in the 1988 Olympic Games.

XINHUA ON ANTI-U.S. ACTIVITIES IN SOUTH KOREA

OW301439 Beijing XINHUA in English 1408 GMT 30 May 86

[Text] Pyongyang, May 30 (XINHUA) -- The recent "anti-government" student movement in South Korea turning more and more anti-American has aroused great anxiety in U.S. institutions and among their personnel in Seoul, according to reports from that city.

On May 21, seventeen students in Pusan, the second largest city in South Korea, occupied for about an hour the American Cultural Center to demand a U.S. apology for the Kwangju incident in May 1980, in which more than 5,000 people were reportedly killed and 10,000 others injured. On May 26, an American professor in Seoul University received a telephone call demanding that he leave South Korea within one week. On the same day, another American received a similar phone call at the school for foreigners where he was staying.

A KOREAN CENTRAL NEWS AGENCY report said today that some 30 South Korean Workers forced their way into an American bank in Seoul early this morning. The workers took over some office rooms on the third floor of the bank building and showed anti-American slogans over the windows of the office rooms. (NEW GRAF) The frequent activities in South Korea have caused panic in U.S. institutions and among Americans there.

The U.S. State Department is reportedly planning to move the American Embassy in downtown Seoul, a frequent target of student protests, to a "more safe place." The South Korean authorities have taken measures to protect the U.S. institutions and Americans in Seoul.

Observers said that the growing anti-Americanism among South Korean students resulted from the continuous presence of U.S. military troops, U.S. pressures to compel South Korea to open its market, and the raping of a pregnant teacher by American soldiers not long ago.

S. KOREAN RALLY FOR CONSTITUTIONAL REVISION HELD

OW010626 Beijing XINHUA in English 0558 GMT 1 Jun 86

[Text] Pyongyang, June 1 (XINHUA) -- More than 30,000 people attended a mass rally for constitutional revisions, the ninth of its kind, in South Korea's Chunju City yesterday, according to reports received here. The rally was sponsored by the leading opposition New Korea Democratic Party (NKDP) to collect 10 million signatures on a petition to press for changes in the existing constitution and calling for direct presidential polls.

Kim Yong-sam, standing advisor of the NKDP, said at the rally that anyone who tries to stop "the billowing flood of democratization" would become a victim of the tide. In a tape-recorded speech, another opposition leader Kim Tae-chung urged Chon Tu-hwan to democratize the country before the people's indignation grows further or he would be punished.

Before and after the rally, thousands of young students held anti-government demonstrations, chanting "down with Chon Tu-hwan" and "drive out U.S. imperialists who support military dictatorship." They clashed with about 1,000 riot police who fired tear gas.

The signature campaign, which was sponsored by the NKDP in mid-February, was reported to have collected over 700,000 signatures by early May. According to reports, the NKDP recently agreed to join a special consitutional committee to discuss the constitutional revisions inside Parliament, but it insists on its stand demanding direct presidential polls. Kim Yong-sam said that the prerequisite for participating in the parliamentary discussion is the release of some 1,800 students and workers arrested during the campaign for consitutional revision.

FURTHER ON SINGAPORE DEPUTY PRIME MINISTER'S VISIT

Tian Jiyun Hosts Dinner

OW291647 Beijing XINHUA in English 1506 GMT 29 May 86

[Text] Beijing, May 28 (XINHUA) -- Chinese Vice Premier Tian Jiyun today expressed his hope that mutually beneficial cooperation between China and Singapore in areas of economy, trade, science and technology is sure to develop to a new level. Hosting a dinner for the visiting Singaporean Deputy Prime Minster Ong Teng Cheong here this evening, Tian said in his toast that Singapore is a friendly close neighbor and the two peoples share a deep friendship and visit each other frequently. The frequent exchanges of visits by leaders of the two countries have enhanced their mutual understanding and friendship and promoted the development of their relations.

Since Prime Minister Lee Kuan Yew's visit to China last year, he noted, their cooperation in the economic, cultural and other fields has been further strengthened. He described the establishment of the Shanghai branch of the Commercial Representative's Office of Singapore that the deputy prime minister will preside over its opening ceremony as "another vivid reflection of the further development of the friendly relations and cooperation between China and Singapore." "During the Seventh Five-Year Plan period, we will persevere in implementing the policy of opening to the outside world, not only to developed countries, but to developing countries as well, especially our friendly neighbors," he said.

In his toast, Ong Teng Cheong noted that Sino-Singapore trade in 1979 was 2 billion Singapore dollars and in six years, this number had tripled. "China became Singapore's fourth largest trading partner in 1985," he said, adding that there is ample potential for expansion in bilateral as well as entrepot trade. "The scope for mutual cooperation is considerable particularly in tourism, industries, city planning, design of housing and industrial estates, and port and harbour development," he added.

Gu Mu Fetes Visitors

OW301358 Beijing XINHUA in English 1341 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Chinese State Councillor Gu Mu gave a banquet in honor of visiting Singaporean Second Deputy Prime Minister Ong Teng Cheong, Mrs Ong and their party here tonight at Fangshan, a restaurant where imperial court cuisines are served.

Earlier today, the guests toured the Summer Palace, the Great Bell Temple, Yong He Gong (the biggest lamasery in Beijing), and the Temple of Confucius in Beijing.

Zhao Ziyang Urges Cooperation

OW311539 Beijing XINHUA in English 1530 GMT 31 May 86

[Text] Beijing May 31 (XINHUA) -- Chinese Premier Zhao Ziyang today suggested that apart from the existing spheres of cooperation agreed upon, China and Singapore consider and experiment with more systematic cooperation in certain areas and fields and acquire experience from them, so that bilateral cooperation could become more solid and efficient.

He conferred with Singapore's Second Deputy Prime Minister Ong Teng Cheong on bilateral economic and technological cooperation and trade at a meeting here today.

Zhao said there are great potentials for cooperation between the two countries. In addition to their respective advantages in economic and technological fields to supplement each other, the two countries have another good advantage -- better mutual understanding.

Ong Teng Cheong said his visit, except for officiating the opening ceremony of the Shanghai branch of the Commerical Representative's Office of Signapore, is to seek for new methods of cooperation. Singapore is ready to cooperate with China in any fields that the latter is willing to, such as airport management, harbor enlargment and management, and consultancy services, he said.

Ong Teng Cheong conveyed greeting of Prime Minister Lee Kuan Yew to Premier Zhao,who also asked him to send his regards to Lee Kuan Yew.

PHILIPPINES' LAUREL TO VISIT PRC IN JUNE

OW291522 Beijing XINHUA in English 1436 GMT 29 May 86

[Excerpt] Manila, May 28 (XINHUA) -- Philippine Vice-President and Foreign Minister Salvador Laurel is going to visit China in June at the invitation of the Chinese government, it was announced here. The visit is aimed at further strengthening the relations, especially economic cooperation, between the two countries, a spokesman from the vice-president office told XINHUA today. Laurel's China visit is part of a diplomatic drive involving several Asian and European countries launched by the new Philippine Government. The spokesman added that the countries Laurel is to visit have indicated their willingness to help the Philippines to tide over its economic difficulties.

AQUINO ABOLISHES PHILIPPINES INFORMATION MINISTRY

OW292015 Beijing XINHUA in English 1503 GMT 29 May 86

[Text] Manila, May 29 (XINHUA) -- President Corazon Aquino has abolished the Information Ministry and reassigned Information Minister Teodord Locsin as her speech writer and new legal assistant beginning June 5, presidential palace sources said today. The palace sources did not say the reasons behind the ministry's abolition but some insiders indicated the president's displeasure with the way Locsin handled his job. Locsin, 37, was the youngest cabinet member. These sources said a smaller presidential press staff, headed by Acting Presidential Spokesperson Alice Villadolid, would remain to handle the presidential press release and media exposure.

DK RADIO SAYS SRV REPLACING WITHDRAWN TROOPS

OW280604 Beijing XINHUA in English 0545 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Vietnam has been reinforcing its occupation army strength in Kampuchea, while continuing to claim it is withdrawing troops, according to a commentary on Radio Democratic Kampuchea today. The broadcast said as many as 130 trucks of new Vietnamese soldiers have moved from Tay Ninh Province, Vietnam, to Kampuchean Provinces of Kompong Cham and Kratie since the beginning of May. This indicates, the commentary said, that Vietnam does not want to solve the Kampuchea problems through a political settlement.

NPC VICE PRESIDENT ARRIVES IN COPENHAGEN

OW310612 Beijing XINHUA in English 0536 GMT 31 May 86

[Text] Copenhagen, May 30 (XINHUA) -- China is willing to increase efforts to help ease international tension, maintain world peace and promote world prosperity, the Vice President of the Chinese National People's Congress (NPC) Rong Yiren said here today.

Rong, who arrived here today on a five-day visit as head of a NPC delegation, made the remark at a banquet given in his honor by the President of the Danish Parliament Svend Jakobsen.

In his reply to Jakobsen's toast, Rong said that rapid and encouraging progress has been made in cooperation between China and Denmark in political, economic, cultural, trade and technological fields.

The Danish people have won international praise for their successful national development and for their efforts to promote cooperatioN, Rong said. Speaking of China's situation, Rong said the country's economic reforms have been very successful and the policy of opening to the outside world has been written into the nation's Constitution.

In his toast, Jakobsen said that he was impressed by Chinese leaders and people during his visit to China in 1983. Jakobsen spoke highly of China's contribution to the world in arts, culture, science and philosophy over the past thousand years. He said Denmark is following China's economic reforms which are providing stimulus for the introduction of foreign capital and technology.

Before the banquet, Rong met with representatives of the local Chinese communities. During the meeting, Rong briefed them on China's successes and problems and the "one country, two systems" concept, which refers to the reunfication of the country's mainland with Hong Kong in 1997 and its proposed reunification with Taiwan.

Earlier Rong's delegation was greeted at the airport by Jakobsen and his wife on its arrival.

The Chinese parliamentary delegation is scheduled to meet with the queen, the prime minister, the foreign minister, parliamentarians and businessmen and visit group of firms during its visit.

YANG DEZHI MEETS FRENCH AIR FORCE COMMANDER

OW301024 Beijing XINHUA in English 0951 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, met here today General Bernard Capillon, chief of air staff of France, and his party. Yang told Capillon that his visit testifies to the continued growth of friendship between China and France, their two peoples and Armed Forces. Capillon, who is scheduled to leave here for home tomorrow, said that his visit to China is unforgettable.

WEU ASSEMBLY CONFERENCE TO FOCUS ON DEFENSE

OW020648 Beijing XINHUA in English 0633 GMT 2 Jun 86

[By Wang Wei]

[Text] Paris, June 1 (XINHUA) -- The 31st conference of the Assembly of the Western European Union (WEU) which begins here tomorrow, is expected to focus on Mediterranean security, disarmament, high technology and coordination with the organiztion's council.

Informed sources said that Italian Foreign Minister Giulio Andreotti, Defence Minister Gioranni Spadolini, Belgian Foreign Minister Leo Tindemans, British Minister of State for Foreign Affairs Baroness Young as well as officials from France, Federal Germany, Luxembourg and the Netherlands will speak at the conference to be attended by parliamentary members from the seven countries.

The assembly is the consultative body of the seven-nation Western European Union, an organization aimed at coordinating the defence of Western Europe.

The present assembly will discuss its uncomfortable relations with the WEU council, the organization's administrative body. The assembly has long complained that it has not been given a significant enough role and that it does not get enough imput from the council.

WEU officials said the assembly will pay close attention to the situation in the Mediterranean. A draft resolution drawn up by the organization's Standing Armaments Committee says that long-term political objectives of the Soviet Union in the Mediterranean and the Middle East remain unchanged.

The document calls on WEU to overtly declare its responsibility for the Mediterranean region, support the military exercises of the North Atlantic Treaty Organization, coordinate the maritime surveillance of the allies, and reaffirm the U.S. military presence in the region to improve West European defence capabilities.

The present conference is also likely to demand that the superpowers abide by existing disarmament treaties, especially the SALT-II and Anti-Ballistic Missile Treaties. The participants may also urge their governments to promote nuclear test ban negotiations in Geneva and sign the non-chemical weapon treaty. The conference will also discuss the cooperation of high-technology development among the European countries and between Europe and North America.

A document prepared for the conference states that the assembly believes the success of the area's hi-tech industries depends on the expansion of the European civil and electronic computer markets. It suggested that the WEU should contribute to the establishment of a united computer market and study the possibility of setting up a super-computer network in Europe. It also proposes the organization play a coordinating role in manufacturing the planned Euro-fighter.

WN XUEQIAN BEGINS EAST EUROPEAN PORTION OF TRIP

Hosted by GDR Counterpart

OW310608 Beijing XINHUA in English 0546 GMT 31 May 86

[Text] Berlin, May 30 (XINHUA) -- Chinese Foreign Minister Wu Xueqian arrived here today for a four-day official visit to the German Democratic Republic, the first of its kind since the late 1950s. He is here on his eighth leg of a nine-nation European tour that has already taken him to seven West European countries.

At a dinner this evening, the Chinese minister and his Democratic German counterpart Oskar Fischer voiced their common wish for further development of bilateral relations.

Fischer said Wu's visit was not only the continuation of a flurry of meetings between the senior officials of the two countries, but also reflected the common desire for a rapid expansion of relations between them. Fischer said given the current international situation, the expansion of cooperation between his country and China will help enhance the strength of socialism and peace.

He echoed the view expressed by Democratic German Leader Erich Honecker at last month's party congress that the development of cooperation with China will render positive impact on the struggle for world peace, which he said was the paramount task facing his country. Fischer appreciated the efforts devoted by China to safeguard world peace.

In his speech, Wu Xueqian said peoples in the world all need a long, stable peaceful international envirnment for their domestic development. Safeguarding world peace is the common desire of all people, including the Chinese and Democratic German peoples, he said.

China, Wu added, will continue to adhere to its independent policy of peace and play its due part in maintaining peace by joining efforts of other peoples.

The Chinese foreign minister spoke highly of a notable expansion of relations between two countries in the past few years. The development of bilateral relations in an all-embracing way is in the interests of world peace and socialist construction in both countries. Earlier today, the two ministers had held their first round of talks on international and bilateral issues.

Signs New Consular Treaty

OW010014 Beijing XINHUA in English 2345 GMT 31 May 86

[Text] Berlin, May 31 (XINHUA) -- China and the German Democratic Republic today signed a new consular treaty and two other accords on cooperation between them in the work of their foreign ministries and in cultural, scientific and technological fields.

The consular treaty and a plan on cooperation between the foreign ministries of the two countries were signed by visiting Chinese Foreign Minister Wu Xueqian and his GDR counterpart Oskar Fischer, and a working plan on cultural, scientific-technological cooperation signed by Chinese Ambassador here Ma Xusheng and GDR Deputy Foreign Minister Herbert Krolikowski.

The new consular treaty, to come into force after an exchange of ratifications, will replace the previous one concluded in 1959. The cooperation plan between the two foreign ministries became effective upon signature.

Prior to the signing of the three documents, the two foreign ministers held their second round of talks on international and bilateral issues.

Fischer explained to his guest the basic aims and directions of his country's foreign policy adopted at the 11th congress of its ruling Socialist Unity Party held in mid-April.

Wu briefed his host on the latest developments in China and its views on major world issues.

The two ministers stressed with satisfaction the successful development of bilateral relations in the political, economic, scientific-technological and cultural fields and underlined the identity of views on the fundamental issues of striving to safeguard peace and building socialism in both countries.

They agreed that the present international situation deems it necessary for the two countries to enhance cooperation in various spheres, which they regard benefit the socialist construction of both countries and the efforts for securing world peace.

The Chinese foreign minister is here on an official visit, the first of its kind of this country since the late 1950s.

MA WENRUI CPPCC DELEGATION LEAVES FOR ROMANIA

OW290622 Beijing XINHUA in English 0607 GMT 29 May 86

[Text] Beijing, May 29 (XINHUA) -- Ma Wenrui, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), left here for Romania today as the head of a CPPCC delegation. The 5-member delegation has been invited by the Romanian Socialist Democracy and Unity Front for a one-week goodwill visit. Among those who saw the delegation off at the airport was Cheng Zihua, vice-chairman of the CPPCC National Committee.

GDR'S HONECKER MEETS FRG SOCIAL DEMOCRAT LEADER

OW290316 Beijing XINHUA in English 0046 GMT 29 May 86

[Text] Berlin, May 28 (XINHUA) -- Democratic German Leader Erich Honecker and Federal German politician Dr Hans-Jochen Vogel agreed today that "formal links should be established" between the parliaments of the two German states as a major move to further normalize their state relations. The official news agency ADN said the two men met at Hubertusstock Hunting Lodge on Lake Werbellinsee north of Berlin for an exchange of views, the fourth between them since 1985.

Vogel is chairman of the Social Democratic group in the Parliament of the Federal Republic of Germany. ADN said they were in favor of increased contacts between the two countries in other fields and hoped the talks now underway between the governmental experts on environmental protection would produce concrete results. An announcement on the talks said the two sides believe that their regular meetings are helpoful to peace in central Europe and serve to improve the situation of people in the two German states in line with a basic relations treaty concluded in 1972.

'DOUBLE HUNDRED' POLICY ANNIVERSARY MARKED

OW300449 Beijing Domestic Service in Mandarin 2130 GMT 29 May 86

[Text] The Chinese Society of Marxism-Leninism-Mao Zedong Thought and five other units held a forum in Beijing on 29 May to commemorate the 30th anniversary of the policy of letting a hundred flowers blossom and a hundred schools of thought contend put forward by the party Central Committee. The more than 200 experts, scholars, and professors pointed out that the policy of leting a hundred flowers blossom and a hundred schools of thought contend is a strategic policy for building socialist material and spiritual civilization. It should be taken as a fundamental national policy and implemented accordingly.

YU GUANGYUAN ARTICLE ON 'DOUBLE HUNDRED' POLICY

HK300933 Beijing RENMIN RIBAO in Chinese 16 May 86 p 5

[Article by Yu Guangyuan: "The 30th Anniversary of the Setting Forth of the "Double Hundred" Policy"]

[Text] 1956 was spring for Chinese intellectuals.

In 1956 when the socialist transformation of private ownership of means of production had been basically accomplished, the CPC Central Committee and Mao Zedong shifted their attention to the economic and cultural construction which greatly needed intellectuals, thus the question of intellectuals was put on the important agenda of the party and the state.

In January, 1956, the CPC Central Committee held a meeting to discuss the question of intellectuals. It was a grand meeting attended by the responsible persons of the various departments of the central authorities, the responsible persons of localities and the representatives of intellectuals in various fields. At the meeting, on behalf of the CPC Central Committee, Zhou Enlai made a report on the question of intellectuals, demanding the party organizations at various levels to fully mobilize and bring into play the existing strength of intellectuals, and proposed three relevant measures: to improve the use and arrangement of intellectuals; to fully understand, duly trust and support intellectuals; to provide necessary working conditions and proper treatment to intellectuals. In the meantime, the CPC Central Committee made the "decision on the question of intellectuals." Although at that time, the transformation of intellectuals was still considered as a reflection of the class struggle, Zhou Enlai's report had emphatically pointed out: "The phenomena of crudely treating scientists and scientific questions have still been found recently," and demanded the "various areas pay attention to correcting them." After the meeting, the measures stipulated in the CPC Central Committee's "decision on the question of intellectuals" were implemented one by one according to the instructions of Zhou Enlai.

The "double hundred" policy was put forward when our country was at such an important historical juncture. Though in the immediate post-liberation years, Mao Zedong wrote "letting a hundred flowers blossom and weeding through the old to bring forth the new" for the field of traditional opera, and the idea of letting a hundred schools of thought contend was also brewing, it was under the historical conditions in the spring of 1956 that the fundamental policy of "double hundred" which aimed at boosting the scientific and artistic development of our country, was put forward. The setting forth of the policy was mainly the demand of the historical task of developing our country's social economy and culture. And it also showed that our party had begun to realize the maladies in blindly learning from the Soviet Union.

To use political force to interfere in scientists' freedom of research and artists' freedom of creation, or to put a political label on scientists and artists or carry out political criticisms in the scientific and artistic fields were the influence of an erroneous guiding ideology. One glaring example is that the Soviet Communist Party crudely carried out political interference in the dispute between the school of Ivan Vladimirovich Michurin and the school of Gregor Johann Mendel and Thomas Hunt Morgan in the field of genetics by supporting the school of Lysenko, which flaunted the banner of Michurin, calling it "proletarian," "progressive," "dialectical materialist" and "realistic" while calling the school of Morgan "bourgeois," "reactionary," "idealist," "metaphysical," "falsely scientific," and so on. (footnote 1) (Li Peishan, Meng Qingzhe, Huang Qinghe and Huang Shune: "The Historical Background and Basic Experiences of Qindao Symposium on Genetics," "Letting a Hundred Schools of Thought Contend -- the Only Way To Develop Science -- Record of Qindao Symposium on Genetics Held in August, 1956" published by Commercial Press, p 2, the appendix of which carried "The Three Disputes in the Soviet Genetic Field Between 1935 and 1956" written by Comrade Huang Qinhe in 1956, which provided a lot of specific material on the situation in the Soviet Union. I [Yu Guangyuan] also summed up the situation in the preface I wrote for the book.) When implementing the policy of learning from the Soviet Union across the whole country, such an erroneous ideology was brought into our country, caused damage in our work and aroused resentment in the scientific and artistic fields. This situation, together with the criticism on the cult of Stalin at the 20th Soviet Communist Party Congress sobered us up and made us realize that we should implement a policy, which was different from the above mentioned erroneous principle, in the scientific and artistic fields.

According to the recollections of Comrade Lu Dingyi, the policy of letting a hundred schools of thought contend in scientific work was first put forward and decided on at a meeting held by the CPC Central Committee in February 1956. (Footnote 2) (Lu Dingyi: "A Review of the History of 'Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Cointend'" in GUANGMING RIBAO 7 May, 1986) On 25 April, 1956, Mao Zedong made a speech on the 10 big relations in our country's socialist revolution and socialist construction. When discussing the speech Mao Zedong himself completely put forward the policy of "letting a hundred flowers blossom and letting a hundred schools of thought contend." At the supreme state conference held on 2 May. Mao Zedong announced his proposition of the "10 big relations." And during the discussions, Mao Zedong again explicitly announced the "double hundred" policy (footnote 3) (Lu Dingyi's speech on 26 May, 1956 said: "The Communist Party of China advocates letting a hundred flowers blossom in the work of literature and art, and letting a hundred schools of thought contend in the scientific work. This was announced by Chairman Mao at the Supreme State Conference." However, Mao's announcement had not been published in written form. In all articles written by Mao Zedong, the "double hundred" policy first appeared in the speech entitled "On the Question of Correctly Dealing With Contradictions Among the People" made by Mao Zedong at the Supreme State Conference in February, 1957. "A Collection of Reading Documents of the Socialist Education Course," "Selected Works of Mao Zedong," volume 5, pp 388-393)

Zhou Enlai also relayed Mao Zedong's speech to the parties concerned. On 26 May, Lu Dingyi, then head of the Propaganda Department of the CPC Central Committee, made a speech entitled "Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Contend," which systematically expounded and brought into play our party's "double hundred" policy.

In his speech, Lu Dingyi announced the party's "double hundred" policy in the scientific, artistic fields and in public. Lu's speech had a great influence at home and abroad.

Thirty years have passed since the CPC Central Committee put forward the "double hundred" policy. Recalling the things that took place in the past and re-reading the relevant historical documents, I feel that at that time, the CPC Central committee did resolutely and thoroughly implement the "double hundred" policy. In the speech made by Lu Dingyi, we can clearly read the explicit proposition of the CPC Central Committee: "'Letting a hundred flowers blossom and a hundred schools of thought contend' means to advocate the freedom of independent thinking in literary and artistic work and in scientific research, the freedom of debate, the freedom of creation, the freedom of publicizing one's own opinions, sticking to one's own opinions and expressing reservations;" "Among the people, there should be not only the freedom of publicizing materialism but also the freedom of publicizing idealism. ...there should also be the freedom of debate between the two;" "The academic criticisms and discussions should be based on argument and reasoning and seeking truth from facts, which means that we should advocate incisive academic debate on a scientific basis. Criticism and discussions should aim at improving our work. We must forbid a simple and crude attitude. We should adopt the method of free discussion and oppose using administrative orders to solve academic disputes. We should allow those who are criticized to counter-criticize others and should not suppress this kind of counter-criticize others and should not suppress this kind of counter-criticism. We shoiuld allow a minority of people who have different opinions to have reservations, and should not implement the principle of the minority being subordinate to the majority. It is not imperative for those, who have been proved wrong on some academic questions after criticism and discussions, to hand in written self-criticisms if they are not willing to do so. In the academic field, we should allow discussion on some academic questions on which conclusions have been drawn if different views emerge." (Footnote 4) ("A Collection of Reading Documents of the Socialist Education Course" book one, p 960, p 962, pp 964-965, etc.) Lu Dingyi not only presented the above views but also personally summed up the experiences in those few years and took charge to solve some problems in the genetic field, such as the erroneous view that "traditional Chinese medical science is feudalistic medical science, Western medical science is capitalist medical science, and Ivan P. Pavlov's medical science is socialist medical science," which he mentioned in his article published recently It was Lu Dingyi who suggested that the science section under the CPC Central Committee's Propaganda Department help the Chinese Academy of Sciences and the Higher Education Ministry to hold a meeting on implementing the policy of letting a hundred schools of thought contend in the genetic field, thus setting a good example for implementing the policy. (Footnote 5) (The detailed record concerning Lu Dingyi's suggestion of holding a symposium on genetics in Qindao was published in "Letting a Hundred Schools of Thought Contend -- the Only Way To Develop Science" published by Commercial Press in November, 1985. Compared with the conference held by Soviet Union's Lenin Academy of Agricultural Science in Moscow, 1948, we can see two different practices under two policies which differed in principle.)

Here, I would like to point out Mao Zedong's active support for this policy in 1956. An example is that after the Qingdao Symposium on genetics, an article entitled "Talking About Letting a Hundred Schools of Thought Contend From Genetics" written by Li Ruqi, our country's professor of genetics, was published in GUANGMING RIBAO on 29 April 1975.

After reading the article, Comrade Mao Zedong immediately suggested RENMIN RIBAO reprint it, and changed the headline into "The Only Way To Develop Science" and also wrote the editor's note for the Editorial Department of RENMIN RIBAO. In the editor's note, Mao Zedong wrote: "We have changed the original headline into a subheading and written a more affirmative headline for the author. We welcome all the people to carry out thorough criticism of wrong ideas (all the truly wrong ideologies and measures must be thoroughly criticized) and at the same time, we welcome, all the people to put forward proper and constructive views." There is another thing which is worth recalling. When the policy of letting a hundred schools of thought contend was first put forward, Lu Dingyi told our comrades in the CPC Central Committee's Propaganda Department: Once, a comrade from a certain unit asked the CPC Central Committee's Propaganda Department for instructions. He wanted the CPC Central Committee's Propaganda Department to draw a conclusion on a certain academic question so that he could go back to his unit to carry out academic criticisms. Lu Dingyi went to Mao Zedong for instructions. Mao Zedong said: Even if you had Marx as the head of your department, and Engles and Lenin as the deputy heads of your department, they would still not be able to solve so many academic questions. On academic questions, we should let a hundred schools of thought contend.

From the spring of 1956 to the summer of 1957, the Chinese intellectuals were very pleased with the party's policies and situation. At that time, many of China's scientific workers and philosophical social scientific workers were considering how to make better contributions to the socialist construction cause.

However, good times did not last long. After carrying out the anti-rightist struggle in summer 1957, the policy of letting a hundred flowers blossom and a hundred schools of thought contend was actually abolished. After that, the atmosphere was a bit relaxed. Some academic discussions were carried out and some good academic symposiums were held, such as the symposium on economic theory held in Shanghai in 1959 to discuss the question of commodity economy and the question of law of value. However, the situation in our country's scientific circle was no longer as vivid and vigorous as that in 1956.

Under the guidance of the ideology of "grasping the class struggle as the key link," those erroneous methods which were criticized in 1956, such as critizing from a higher plane of principle and putting all kinds of political labels on academic views, were reapplied in various places. During the "Cultural Revolution," all the past questions were again brought to light with almost all the people who had once publicized creative academic views being publicly denounced and presecuted even more ruthlessly. Lu Dingyi's expositions on the party's "double hundred" policy were denounced as a bourgeois reactionary program. (footnote 6) (For example, an article entitled "Lu Dingyi's Reactionary Program on Airing Views Must be Thoroughly Criticized" written by "The Yenan Red Banner General Regiment of the Former Ministry of Culture" and published in RENMIN RIBAO on 29 August, 1967, attacked Lu Dingyi by saying: "In May, 1956, just before the mighty anti-rightist struggle, Lu Dingyi, the big 'Yama' and academic lord presented a black report entitled 'Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Contend,' which was an out-and-out bourgeois reactionary program." The article went on: "The soul of 'letting a hundred flowers blossom and a hundred schools of thought contend' is to eliminate bourgeois ideology and foster proletarian ideology...but the big acedemic lord Lu Dingyi acted in a diametrically opposite way.

"He took away the revolutionary soul of the policy of letting a hundred flowers blossom and a hundred schools of thought contend, eliminated the class contents of the policy and distorted it into a bourgeois liberal policy...When he talked about letting a hundred flowers blossom and a hundred schools of thought contend, he just talked about freedom! freedom! freedom! ...A lot of facts have proved that over the past 17 years, Lu Dingyi has gone a lot for bourgeois liberalization in the ideological and cultural circles by making use of the power he had usurped.") Between 1966 and the fall of the "gang of four," our country's entire scientific work was at a standstill and the implementation of the "double hundred" policy was completely out of the question. Between the fall of the "gang of four" and the 3d Plenary Session of the 11th CPC Central Committee, owing to the stress on the "two whatevers," academic freedom was still suffocated. It was not until after the 3d Plenary Session of the 11th CPC Central Committee that the situation in academic circles showed a fundamental improvement.

Why was the "double hundred" policy resolutely put forward first in 1956 and then soon abolished? Why were the crude methods of suppressing the freedom of scientific research and artistic creation, which were criticized in 1956, repeated after 1957, especially throughout the 1960's and 1970's, and even intensified during a certain period?

I think that the reasons are:

First, the "double hundred" policy was put forward at a time when China entered the historical period of socialist construction and when the focal point of work was shifted from class struggle to economic and cultural construction. At that time, the CPC Central Committee and Chairman Mao saw this new situation and also made some relevant remarks. Lu Dingyi made his speech after making an appraisal of the new situation at that time. He said that the situation at that time was characterized by the following four aspects: 1) The socialist transformation had achieved decisive success in various aspects in the basic areas of the whole country; the system of exploitation would be eliminated in a few years' time in those areas, and our country would soon become a socialist country without exploitation. 2) Great changes had taken place in the political and ideoligical fields of the intellectual cricles and more fundamental changes were still taking place at that time. 3) We still had the enemy and there was still class struggle in our country, but the force of our enemy, especially the force of our domestic enemy had been greatly weakened. 4) The political and ideological uniformity of the people of the whole country had been greatly strengthened, and was still being further strengthened at that time. However, our party did not wholly understand this historical change. Originally, we should have thought about the question in this way: The historical turn is the conclusion drawn from the historical law of the entire social development. During this transitional period, various misleading phenomena were bound to emerge. However, we should not change our basic estimation of the historical development because of these phenomena and should not change our basic policies. The turn from revolution to construction took place in 1956. Today, when reviewing the past, we should still objectively say so. However, the development of history was not so simple as we had estimated. The situation that emerged after the socialist transformation greatly differed from that which had originally been predicted by Mao Zedong. For example, Mao Zedong had not predicted the situation of the "airing of views," which emerged in the summer of 1957.

As a result, our party began to waver, and finally withdrew from its relatively correct understanding of the turn in the Chinese history to the understanding that China was still in a period of sharp class struggle and the class struggle must still be carried out "every year, every month, and every day." Looking at things through colored glasses resulted in the exaggeration of some vestiges of the class struggle. Since the historical conditions proposed by the "double hundred" policy no longer existed, the policy could only be abandoned. In order to save face, our party could not directly negate the "double hundred" policy. Instead, our party gave new explanations to the "double hundred" policy. So the policy was explained in this way: "The soul of the policy of letting a hundred flowers blossom and a hundred schools of thought contend is to eliminate bourgeois ideology and foster proletarian ideology." (footnote 6) So, during the reign of the "gang of four," the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," which had already become empty talk, did not hinder the "gang of four" from carrying out their ruthless rule.

Second, another important reason for the abolition of the "double hundred" policy was the lack of a profound understanding of the theoretical questions raised by the "double hundred" policy. In all the relevant documents, the speech made by Lu Dingyi in 1956 should be considered as one which most fully expounded the policy. At that time, a man like me who was carrying out the policy could only understand the policy to such a level. Today when reviewing history, we can see that there were at least some shortcomings in our theoretical explanations of the policy at that time. Since the policy is one which a socialist country must implement during the period of its construction, we should know clearly about the characteristics of letting a hundred flowers blossom and a hundred schools of thought contend during the period of socialist construction. We should not only understand that the policy should be carried out under our party's conscious and unified leadership, and the purpose of the policy is to promote the prosperity of socialist social science and art, and also understand some questions, such as -- how to correctly understand and deal with the relations between letting a hundred flowers blossom and a hundred schools of thought contend and the class struggle; how to correctly understand and deal with the relations between letting a hundred flowers blossom and a hundred schools of thought contend and the dispute between Marxism and non-Marxism; how to correctly deal with the relations between letting a hundred flowers blossom and a hundred schools of thought contend in theoretical and artistical fields and democracy and freedom in the political field; how to correctly understand that implementing the "double hundred" policy will greatly facilitate the socialist economic and cultural construction; how to estimate the resistance to the implementation of the "double hundred" policy and how to overcome the resistance, and how to create conditions for implementing the "double hundred" policy, and so on. When the "double hundred" policy was first put forward, all these questions were only superficially touched. Some of these questions were noticed and raised, but there was no time to carry out research and discussions on them. And some of these questions were not noticed and raised at that time. Later on, the situation changed so that incorrect answers were given to these questions.

Since the incorrect answers were given by our party's decision-maker, they played a decisive role in abolishing the "double hundred" policy. In his article published recently, Lu Dingyi pointed out: "Comrade Mao Zedong once said that letting a hundred schools of thought contend is actually to let two schools contend, one is the bourgeois school, the other is proletarian school, which is incorrect as afar as the scientific and artistic departments are concerned. If we do things to his remark, in the scientific and artisitc fields, there will be only one person who has the say, and the practice of "putting political labels" on others will prevail. (footnote 2) (Lu Dingyi: "A Review of the History of 'Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Contend'" in GUANGMING RIBAO 7 May, 1986) If our theoretical workers had carried out research and discussions on the above questions with a Marxist stand, viewpoint and method, they would have been able to find that Mao's remark was not correct. Of course, even if they had been able to see the incorrectness of Mao's remark, they would not have been able to change the entire situation at that time. However, they would have been able to stay clear-headed if they had known the truth. It was a pity that at that time, most of the comrades, including myself, did not have such consciousness.

Third, implementing the "double hundred" policy wil inevitably meet with strong resistance, for it will affect some academic authorities. The Academic authority of some people is closely linked with their political authority. The implementation of the "double hundred" policy will certainly bring out ideas which run contrary to those ideas which presently prevail and occpy a ruling position in the society. So, the implementation of the "double hundred" policy will certainly meet with strong pressure by public opinion in the society. The correct idea which emerge in the course of implementing the "double hundred" policy will probably be opposed by a lot of people. And the opposition will become stronger when incorrect ideas emerge in the course of implementing the policy. This situatin is possible because the policy allows the emergence of incorrect ideas. When this situation emerges, those who oppose it will possibly turn to oppose the policy itself by opposing some ideas whose emergence is allowed by the policy. Therefore, we cannot underestimate the role of public opinion in the society because public opinion in society can not only influence the designers of our general and specific policies but can also affect their determination to implement the "double hundred" policy.

Fourth, the "double hundred" policy runs counter do dogmatism and factionalism in essence. The practice of letting only one flower blossom and one school of thought exist is the mainifestation of the "lefist" ideology in the scientific and artisitic work. So the abolition of the "double hundred" policy was the result of the temporary victory of the "leftist" ideology over the "double hundred" policy. By the end of the 1950's, the "leftist" ideology had gained a dominant position within our party owing to the vacillation of our party's view towards the transition in Chinese history and the ideological roots and social basis of the "leftist" ideology. The narrow-mindedness of small-scale peasant economy and feudal ideology very often played an important role in the social and political life of our country. Later on, the political change in our country brought the "gang of four," who were the social fascists, into the leading positions of the party and the state. Asking the "gang of four" to support the "double hundred" policy would doubtlessly mean to ask a murderer to show mercy. Thus, at the same time, the implementation of the "double hundred" policy was completely out of the question.

In 30 years since the CPC Central Committee put forward the "double hundred" policy in 1956, the "good times" only lasted for a short while. So such a fine policy has achieved little successes. Reviewing the past 30 years, I am filled with all sorts of feelings. People might think what a high standard our country's science and art would have reached, if the "double hundred" policy could have been continously carried out till now even since it was first put forward in 1956. People might think that our country might not have experienced such as long period of political oppression and misery. However, as historical materialists, we should not think in that way. The emergence of all realistic things is due to some reasons. The historical upheaval over the past 30 years has not only been caused by subjective reasons but also by objective reasons, such as the "combination" of various situations at that time. In the 1950's, we did not know what the socialist structural reform outside world, and did not know what requirements the building of the four modernizations would have for science. Today, when commemorating the 30th anniversary of the formulation of the "double hundred" policy by the CPC Central Committee, we have seen the conditions for sticking to the "double hundred" policy for a long time in the future and the conditions for taking the "double hundred" policy as a basic national policy of our party and state. We can expect tht the implementation of the "double hundred" policy will bring about great prosperity in our country's science and art. We must ensure that, after commemorating the 30th anniversary of the formulation of the "double hundred" policy, the policy will no longer be abolished. Because of the correct leadership of our party since the 3d Plenary Session of the 11th CPC Central Committee and the new situation characterized by the building of modernizations, the reform and opening up to the outside world, we have great confidence in this. As for how to stick to the "double hundred" policy for a long time in the future, I think that we should learn a lesson from the above mentioned four reasons which caused the abolition of the "double hundred" policy soon after it was put forward in 1956. From these experiences and lessons, we can sum up the questions which we must pay special attention to and study in the future so that we will be able to accumulate more beneficial experiences in the course of implementing the "double hundred" policy. Because the "double hundred" policy was not carried out for long after 1956, the experiences we gained in that period are so limited that they are not enough for us to apply in the future. Therefore, the scientists and artists of our country should learn new experiences in the course of implementing the "double hundred" policy. The leading comrades who are responsible for the scientific and artistic work of our party and our country should also learn new experiences in the course of implementing the "double hundred" policy. I believe that by the 40th and 50th anniversary of the formulation of the "double hundred" policy, gratifying achievements will have been made in our country's scientific and artistic fields.

RENMIN RIBAO ON IMPLEMENTING 'DOUBLE HUNDRED' POLICY

HK010216 Beijing RENMIN RIBAO in Chinese 30 May 86 p 5

[Article by Yu Haocheng: "The Double Hundred Policy and Its Guarantee by the Legal System"]

[Text] Thirty years have passed since the spring of 1956 when the CPC Central Committee and Comrade Mao Zedong set forth the policy of "letting a hundred flowers blossom and a hundred schools of thought contend."

The double hundred policy is an important policy by which the party and the state can go about developing science and the country's culture. Since the day it was put forward, it has received sincere support from the masses, particularly from the intellectuals among them. However, its implementation has not been smooth. In the year after this plicy was put forward, the "anti-rightist struggle" began. It later spread to every corner of the country and had grave consequences. As "leftist" ideas ran rampant, plitical movements began successively and the double hundred policy was basically not implemented. During the "Great Cultural Revolution," the two extreme leftist counterrevolutionary cliques under Lin Biao and Jiang Qing, which described themselves as the "most revolutionary," usurped much of the party's and the state's power. The masses of cadres and intellectuals and the people moaned under their crude feudal, fascist rule. Many leading cadres of the party and the state were criticized, denounced, or even imprisoned. People who resented or disagreed with Lin, Jiang, and their like were persecuted for "spiteful attacks." The latter was even more cruel than those Qing emperors who imprisoned or even executed people for writing on sensitive issues. Under such circumstances, the double hundred policy was discarded and its role as a token of "democracy" and "freedom" was rejected. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee and the people under its ledership have set things to rights, thoroughly rectified the mistakes made during and before the "Cultural Revolution," made it clear that the focus of the work of the party and the state will be shifted from class struggle to economic construction, abandoned the inappropriate slogan of "take class struggle as the key link" and the practice of starting large-scale political movements without hesitation, and pointed out the need to develop socialist democracy and to perfect the socialist legal system. Thanks to all this, the double hundred policy has been reintroduced and its implementation resumed. However, frankly, because we have not yet clarified all theoretical and practical problems and because of the absence of complete agreement among people on this issue, one cannot say that the implementation of the double hundred policy has been smooth and unobstructed. When we mark the 30th annmiversary of the introduction of the double hundred policy, we should give serious thought to this problem.

Not long ago I read some cadres' articles on the double hundred policy. All of them endorse this policy without reservation and they are very unhappy about the setbacks they have suffered in practice. However, they account for our failure in the past to implement the double hundred policy in terms of a failure to draw a clear distinction between academic and plitical issues. It looks as if we can smoothly implement the double hundred policy so long as we can draw a clear distinction between them. I cannot accept this conclusion. I published an article 2 years ago to present my views, which are quite different from theirs. In fact. this conclusion is neither reasonable our practical: It cannot help us solve any problems.

First, it is difficult to draw a clear distinction between academic and political issues. The problem would be easier if we confined ourselves to the natural sciences. This is perhaps why the genetics symposium held in Qingdao in August 1956 was considered by various scholars as having set an example in implementing the principle of "letting a hundred schools of thought contend."

However, in the domain of the social sciences, particulary politics, the science of law, sociology, and studies in scientific socialism, it is difficult to draw a clear distinction between academic and political issues. For example, the theory of "innocent until proven guilty" still remains a forbidden area in legal studies. Although this theory has in effect been accepted in the "criminal procedure law" of China, whoever writes on this theory is accused of going counter to the party's and the government's current principle of "dealing heavy blows to" criminal offenders. Is this not an idea being regarded as a political issue? A similar situation exists in the domain of economics. At present the reforms and the four modernizations can be said to be the country's most important political issues. However, if a certain person is accused of "advocating bourgeois liberalization" and "taking the capitalist road," it would be difficult for this person to defend himself. Politics, as its name suggests, is a science who object of study is political issues. Like some other sciences and disciplines, it is supposed to combine theory with practice. Thus, a student of politics cannot confine himself to discussions on Aristotle. However, I am afraid that one can get into trouble even by discussing the first emperor of Qin or Montesquieu. One who studies the former will be suspected of drawing an offensive analogy and one who studies the latter will be accused of paying tribute to a bourgeois political scientist and of "spreading pollutants on a higher plane." According to the theory that a clear distinction must be drawn between academic and political issues in implementing the double hundred policy, plitics must first be cast aside, as it was once a long time ago following the founding of the country. Should this be done, the development of other social sciences will not be smooth. If one always worries about which issues may go beyond academic bounds to become political issues whenever one writes or says something at meetings, he can only "stutter, hesitate," or even "shut up forever." Given all this, the double-hundred policy is nothing but idle talk.

Second, to subscribe to the conclusion that a clear distinction must be drawn between academic and political issues in implementing the double hundred policy is tantamount to accepting or, least giving tacit apoproval to, the view that academic issues but not political issues can be discussed. This obviously runs counter to the party's and the government's program for developing socialist democracy and building a highly democratic socialist country. It is clearly stated in our current Constitution that the people are the country's masters, that "all power in the People's Republic of China belong to the people" (Article 2), and that "citizens of the People's Republic of China enjoy freedom of speech, of the press, of association, of procession, and of demonstration." (Article 35) If our citizens do not have the right to express their opinions on political issues, if political issues still remain a forbidden area, if people still warn one another that "careless talk may land one in trouble," and if people still avoid "being punished for being out spoken," how can we call them masters of the country. What "high degree of democracy" is there if there is no idle talk? Of course, this is not intended by our comrades. However, this is precisely the logic behind the issue.

The double hundred policy is a policy by which we practice political democracy in the ideological and cultural domains. Both the positive and negative experience over the past years tells us that this is the only correct policy by which we can develop science and the country's culture. This policy was not implemented in the past basically because there was not enough political democracy. Thus, in solving this problem, the most important thing is to develop socialist democracy and to bring about genuine political democracy, not to cast aside poolitics or to avoid political interference in academic issues. Of course, the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" is not directly stated in the "Constitution." However, it is implied in it. Article 47 of the "Constitution" unambiguously says that "Citizens of the People's Republic of China have the freedom to engage in scientific research, literary and artistic creation, and other cultural pursuits." So long as the article is implemented, the double hundred policy will naturally be also implemented.

One may ask. If it is said that political issues can be discussed, what if people air counterrevolutionary views? My reply is that one violates the criminal law by airing counterrevolutionary views. One who does this must be punished by the law. This is something outside the bounds of the double-hundred policy. In other words, with the exception of those who, as described in the criminal law, disseminate counterrevolutionary propaganda, incite counterrevolutions, divulge state secrets, spread rumors, vilify others, or damage others' reputations, all views on literary and artistic creation, academic issues, and so on, and their holders, are protected by the law. All citizens have the freedom of creation and academic freedom. This is one of their democratic rights. In addition, they also have the freedom to criticize and counter criticize. This is another of their democratic rights. Differences can only be settled through democratic discussion. One must not resort to suppression or organizational punishment. On 29 December 1984, Comrade Hu Qili delivered a congratulatory speech at the Fourth Congress of the Chinese Writers' Association on behalf of the Secretariat of the CPC Central Committee. In this speech he said: "It is necessary to have a better understanding of the socialist legal system and to adhere to the principle of letting a hundred flowers blossom and a hundred schools of thought contend. The problems and mistakes in literary creation, so long as they do not constitute violation of the law, should be solved and corrected through literary criticism, that is, through criticism, discussion, and debates. It is necessary to ensure that writers being criticized will not be discriminated against politically and that they will not be punished by organizational or other means. Literary criticism should be based on equality and be aimed at helping others. One must neither oversimplify things nor be crude. Criticism should not be 'exaggerated.' One must not freely stick political labels on others but should tolerate criticism." So long as we do this faithfully, we will be able to ensure the implementation of the double hundred policy and problems similar to those we encountered in the past can be easily solved.

Democracy and the legal system are in fact the two sides of a coin. Democracy is the foundation, whereas the legal system provides the guarantee for it. A legal system is the institutionalization and legalization of democracy.

In December 1978, Comrade Deng Xiaoping observed: "To ensure people's democracy, we must strengthen our legal system. Democracy has to be institutionalized and written into law, so as to make sure that institutions and laws do not change whenever the leadership changes." (Deng Xiaoping: "Selected Works," p 136) The double hundred policy was not introduced and implemented by a certain leader acting on his own impulse; nor is it an interim measure. Safeguarded by the Constitution, it is indispensable in the country's democratic system and in the people's democratic rights. In order to rule the country by law, we must rely on the legal system and combat those things which run counter to the double hundred policy, because this is necessary for building a highly civilized and highly democratic modern socialist country and for developing science and the country's culture.

JIEFANG RIBAO HAILS 'DOUBLE HUNDRED' POLICY

OW310427 Shanghai JIEFANG RIBAO in Chinese 27 May 86 p 1

[JIEFANG RIBAO Commentator's article: "To Persist in Reform, It Is Necessary To Uphold the 'Double Hundred' Policy"]

[Text] It has been 30 years since the party Central Committee and Comrade Mao Zedong put forth the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," which provides the fundamental principles for stimulating artistic creation and scientific progress; forms our party's major guidelines on science and art on the basis of objective law; and points out the only way to develop socialist scientific and cultural undertakings. Experience over the past 3 decades has proven that cultural and scientific undertakings will flourish if we uphold and implement the "double hundred" policy, and that their development will be impeded and undermined if the policy is not implemented or effectively implemented. Like the history of building socialism in China, the "double hundred" policy has traversed a tortuous course.

Currently, along with the unfolding of comprehensive reform, there is popular demand for implementing the "double hundred" policy more earnestly. This is an inevitable development of history. Now, a major step has been taken in reform, and it has spread from rural to urban areas and from economic to scientific and technological, educational, military, and political fields in an all-round manner. However, because our reform is a pioneering undertaking and there is neither a ready model to follow nor mature experiences to copy, it is necessary to arduously explore and blaze new paths. Moreover, poutting new ideas into practice needs the guidance of theoretical exploration and breakthroughs. Hence, reform calls for cultural advances and demands that our cultural and theoretical workers undertake reform to report on reform and explore its theory. At the same time, reform is a comprehensive social systems engineering project, which should be carried out together with reforms in political, economic, and cultural -- including educational, scientific and technological, and theoretical -- fields. Reform can stimulate scientific and cultural advances which in turn will deepen reform. Reform should not be separated from the guidance of Marxism which develops in the course of reform. In this light, we must uphold the "double hundred" policy in making reforms just as we must persist in developing Marxism.

In implementing the "double hundred" policy in the course of reform, it is necessary, first of all, to create a harmonious atmosphere and environment. Recently, central leading comrades concerned have time and again called for earnestly implementing the "double hundred" policy and creating a harmonious environment and atmosphere of daring to explore new ideas. This is essentially a question of giving expression to democracy, conducting free academic research, and encouraging liberal creation in literature and art. So far, little has been done in this respect. For example, the atmosphere in our academic and theoretical circles is not lively, and except for the economic field, it is quite subdued in other fields. Therefore, it is necessary to give further expression to democracy and create a harmonious atmosphere in academic circles in order to encourage new ideas and views. Comrade Lu Dingyi explicitly pointed out in his 1956 report entitled "Let a Hundred Flowers Blossom and a Hundred Schools Contend": "Our principle of 'letting a hundred flowers blossom and a hundred schools of thought contend' is to advocate freedom of independent thinking; freedom of debate; freedom of creation and criticism; and freedom of expressing, insisting on, and reserving one's own views in literary and artistic work and scientific research." Freedom in these four aspects was labelled as "liberalization" and criticized during the "Cultural Revolution." Practice has proven that the criticism was wrong. Research is a form of creative labor which can be fruitful and can propel advances in science only if it is carried out with independent thinking and free exploration and discussion. How can our culture and art flourish and how can we achieve theoretical and academic advances if all sorts of labels are easily placed on people?

Will promoting freedom of creation and academic studies lead to "bourgeois liberalization"? Here, we must say that "bourgeois liberalization" is a political concept, a high-level political concept, that politically means opposing the Communist Party's leadership and the socialist road. Therefore, the label "bourgeois liberalization" cannot be aribrarily placed on theoretical and academic studies and on literary and artistic creation. When an author writes a book with some drawbacks, can we say it is a manifestation of "bourgeois liberalization"? Is it "liberalization" when a theorectical worker puts forward a new theory or a new idea different from traditional theories or ideas? We cannot say so. When some comrades have certain inappropriate ideas, we may criticize them and put forward questions for discussion, but we should give them time to understand the questions. If we simply say that they are advocating liberalization, we are making a mistake. We should not rashly use "-ization," for it means something of a thoroughgoing nature, from beginning to end and from inside to outside. In fact, it is unrealistic to demand no mistake in one's speech and writing. Many of our articles that we have collectively discussed over and over again sometimes contain mistakes. Is it practical to expect a theoretical work or a literary and art worker to be free of mistakes? Moreover, sometimes what is believed to be erroneous or an idea regarded as "questionable" is, in reality, not wrong at all but might even be a new development in Marxism! There have been quite a few examples since the 3d Plenary Session of the 11th CPC Central Committee.

To implement the "double hundred" policy, it is necessary to enthusiastically encourage theoretical workers to probe and blaze new trails boldly in undertaking reforms. As for literary and art workers, we should also encourage them to plunge into reforms and turn out in a bold manner new works that reflect the reforms. It should be pointed out that some cultural and theoretical workers have now certainly divorced themselves from reality and are engaged in purely scholastic studies. What is behind this phenomenon? Perhaps it is not quite fair to put the blame entirely on these cultural and theoretical workers themselves. For a long time, under the influence of "left" ideas, we easily labeled and bludgeoned peple and mixed academic questions with political issues. When a person expressed an academic idea or wrote an article showing even a slight breakthrough or containing a certain lopsided view or some mistakes, his faults would be seized upon, and he would be given a staggering blow and be included in the list of those to be "investigated" and excluded." Such an environment and atmosphere inevitably obsessed some people with lingering fears. Consequently, they divorced themselves from reality and politics and looked for the "Safest" themes or subjects for study so that they could find a way out of the "crack." This is a major reason for the appearance of purely scholastic studies and the failure of literary and art works to reflect realities in a bold way. Therefore, if we are to change this state of affairs, we should seriousl implement the "double hundred" policy. If we do not seriously implement the "double hundred" policy but resort to administrative orders arbitrarily eliminate these cultural and theoretical workers, our efforts will be of no avail, and the problem will not really be resolved.

To put the "double hundred" policy into real practice, it is also necessary to strengthen and improve our leadership. Comrades of our party and government departments in charge of cultural, literary, and art work and those taking care of academic work should have more contacts and exchanges with literary and art workers and theoretical workers so as to enhance their mutural understanding and have more trust in each other. Since we should let a hundred schools of thought contend, what we need is not a solo or a duet involving single academic discipline, a single department, or three or five scholars. Instead, the entire theoretical study contingent should participate in vigorous discussions. The leadership should be adept at giving correct guidance amid vigorous discussions and choosing the right opinions from among a large variety. While letting a hundred schools of thought contend, the leadership should have its own opinion and take part in the contention as one of the "hundred." It should not try to "set the tune with the one beat of the gong" or "amaze the world with a single brilliant feat." It is imperative to uphold the principle that all are equal before truth. In academic contention, leaders, authorities, or theoretical workers should all be subordinate to the truth, and neither their political position nor their popularity should be used as a criterion for judging the right or wrong of an academic opinion. Moreover, leading party and government organizations should not draw academic conclusions or act as judge in academic contention. Owing to the wide scope of knowledge involved, the right or wrong of an academic opinion can only be determined by academic circles through study, practice, and academic discussions.

Academic and theoretical workers should also have the good habit of criticizing and countercriticizing each other. The purpose of "letting a hundred schools of thought contend" is to seek truth by learning from and exchanging views with each other and through deliberations and free discussions. All those participating in the contention should possess the spirit of seeking truth from facts and, with an open mind, take others' opinions into consideration while upholding what they themselves believe to be correct. They should not reject opinions different from theirs, practice sectarianism, or follow what is prevailing and act like a swarm of bees playing the same tune. Academic discussions and theoretical studies are arduous, exploratory work. In doing this work, the leadership and theoretical workers should make joint efforts to investigate truth and subordinate themselves to truth. Among our leading cadres, many are enthusiasts or professional experts in various disciplines. Owing to their relatively high level of theoretical knowledge, their views with regard to certain academic questions can often give people useful enlightment. For this reason, academic circles should welcome them to participate in the contention and should respect their views and opinions.

Shanghai is a city with relatively developed culture and science and has a lot of cultural, science, and theoretical workers. The cultural, science, and theoretical workers in Shanghai have a very strong voice urging the sustained and steady implementation of the "double hundred" policy. They earnestly hope that under the excellent situation of opening and reforming, this important policy of our party will be implemented in the cultural, science, and theoretical work so as to bring about further development and prosperity of Shanghai's cultural and science work. They can thus make more contributions to building Shanghai into the greatest modern socialist city on the western bank of the Pacific.

HONGQI FORUM DISCUSSES 'DOUBLE HUNDRED' POLICY

HK010418 Beijing XINHUA Hong Kong Service in Chinese 0154 GMT 1 Jun 86

[Text] Beijing, 1 Jun (XINHUA) -- HONGQI Deputy Chief Editor Wang Renzhi said at a recent forum on literature and art that there are at present many differences of opinion over questions of literature and art theory, and all kinds of academic issues can be discussed. "We cannot randomly stick political labels on academic errors; neither can we describe normal academic discussion and criticism as political criticism. Both these things are bad for creating an atmosphere of harmony and concord and for unfolding, contending and blooming."

Wang Renzhi said that China's reforms pose many questions in need of study to literature and art theory workers. These questions need creative exploration. Since this is exploration, a variety of viewpoints and opinions will emerge. Some of these may be based on reality and may accord with and even develop Marxism, while others may be unrealistic and may deviate from Marxism on certain issues. All this is completely normal. As far as differences of opinion are concerned, the truth should be sought through equal discussions and comradely argument, and through setting out the facts and speaking reason.

This literature and art forum was convened by the HONGQI editorial board on 16 May to mark the 30th anniversary of the principle: "Let a hundred flowers blossom and a hundred schools of thought contend."

It was attended by more than 40 literature and art theorists, critics, writers, professors, and editors who were in Beijing. The forum discussed various questions centering on how to implement the "double hundred" principle, the invigoration of literature and art, and literature and art criticism.

Issue No 11 of HONGQI, which is published today, carries an article entitled "Implement the 'Double Hundred' Principle, Develop Literature and Art Theory," which deals with the discussions held at the forum.

The article says that a considerable number of participants in the forum held that the key to implementing the "double hundred" principle lies more in the leadership. The obstacles encountered in carrying out the "double hundred" principle often come not from ordinary theory workers; it is the attitude of the leaders that plays the decisive role. Leaders of literature and art work should create conditions for practicing the "double hundred" principle, mainly by actively creating an atmosphere of stability, harmony, concord, and relaxation. Questions of right or wrong in literature and art theory and creation should be dealt with by exploration and contending and blooming in literature and art circles, and the leaders should not issue conclusions; otherwise the normal unfolding of discussions will be hampered.

The participants in the forum expressed different views regarding the article published by Chen Yong in issue No 8 of HONGQI criticizing the literature and art viewpoint of Liu Zaifu. Some speakers held that there were points in the entire critical approach of Chen's article that were open to discussion; for instance, he held that Liu Ziafu's viewpoint was an issue related to the fate of Marxism in China and to the fate of socialism in China. Such a conclusion is excessive and the attitude is far from mild. In comparison, although Chen's viewpoint is clear-cut, there are gaps in it, and he lacks a sense of the age. Although Liu Zaifu's viewpoint is one-sided, it possesses creative spirit. Some of the speakers held that although Yong's article points out that certain viewpoints of Liu Zaifu are not in accord with Marxist theory, this remains a matter within the scope of the theoretical and academic fields, and he has by no means issued a political conclusion. The speakers said that it is very necessary to hold frank and sincere discussions over major issue of literature and art theory. They hoped that the discussion could continue.

Some of the participants in the forum held that it is essential to stress equality of status in the course of contending and blooming. On theoretical and academic issues, no one has a special right to forbid others from criticizing, and counter-criticism of all criticisms is allowed.

VETERAN WRITERS DISCUSS 'DOUBLE HUNDRED' POLICY

HK300834 Beijing RENMIN RIBAO in Chinese 26 May 86 p 7

[Report by reporter Shu Zhan: "Old Writers Discuss the 'Double Hundred' Policy at Forum Sponsored by RENMIN RIBAO Literature and Art Department" -- a shorter version of the article appears in the 28 May RENMIN RIBAO OVERSEAS EDITION. Capitalized passages are those which appear in that version]

[Text] MAY 1986 MARKS THE 30TH ANNIVERSARY OF THE CPC'S PROPOSAL OF THE PRINCIPLE OF "LETTING A HUNDRED FLOWERS BLOSSOM, LETTING A HUNDRED SCHOOLS OF THOUGHT CONTEND."

SOON THIS PAPER WILL ALSO MARK THE 30TH ANNIVERSARY OF ITS LAYOUT REVISION THAT TOOK PLACE IN JULY 1956. THE PAPER'S LITERATURE AND ART DEPARTMENT INVITED SOME COMRADES IN BEIJING TO A FORUM, TO DISCUSS THE PRINCIPLE OF "LETTING A HUNDRED FLOWERS BLOSSOM, LETTING A HUNDRED SCHOOLS OF THOUGHT CONTEND" ON 14 MAY. PARTICIPATING IN THE FORUM WERE VETERAN WRITERS, WHO HAVE FOR MANY YEARS SUPPORTED OUR PAPER, INCLUDING LI RUI, LIN LIN, ZHENG YANXIU, YAN WENJING, XIAO QIAN, FENG YIDAI, GE YANG, SHY WU, DAI WENBAO, MAO SHUYAN, HUANG ZHONGJIANG, YU HAOCHENG, LI GUOWEN, LIU ZHENG, SHAO YANXIANG, LIN WENSHAN, JIAO YONGFU, LIU YING, AND CHEN XIAOCHUAN.

First the participants of the forum cherished their memory of Comrades Deng Tuo and Lin Danqiu, who took an active part in implementing the "double hundred" principle and were in charge of revising the layout of RENMEN RIBAO 30 years ago, and such old essayists Feng Xuefeng, Shao Quanlin, Wu Han, Meng Chaoa, Xu Maoyong, Wang Renshu, and Chen Xiaoyu, who were all hounded to death during the 10 years of turmoil. They regarded them as vanguards in the implementation of the double hundred principle. They said that they would prize the double hundred principle that the Chinese people have paid so dearly to obtain the implementation of, and they solemnly reviewed the process of its implementation since the 3d Plenary Session of the 11th CPC Central Committee.

THE COMRADES WHO TOOK PART IN THE MEETING SAID THAT THE DOUBLE HUNDRED PRINCIPLE WAS CLOSELY RELATED TO OUR COUNTRY'S POLITICAL DEMOCRACY, AND WAS A BASIC STATE POLICY FOR OUR COUNTRY; THEREFORE, WE HAD TO TURN IT INTO A LAW AND A REGULATION. OUR COUNTRY SHOULD NOT BE RULED BY HUMAN FACTORS, MAKING PEOPLE ACT IN THE LIGHT OF WHAT A LEADER LIKES OR DISLIKES AND ALLOWS OR DISALLOWS. WE SHOULD NO LONGER ALLOW THE PRACTICE OF REGARDING WHAT A MAN IN POWER BELIEVES IN AS THE TRUTH! OTHERWISE, IT WILL BE IMPOSSIBLE TO REMOVE LINGERING FEARS AND NO ONE WILL DARE TO AIR HIS VIEW. IN THE PAST, WE OFTEN SAID THAT WE HAD TO DRAW A DEMARCATION LINE BETWEEN POLITICAL AND ACADEMIC DISCUSSIONS. IT SEEMED THAT FREEDOM WAS ALLOWED IN ACADEMIC DISCUSSIONS BUT NOT IN DISCUSSIONS RELATED TO POLITICS. THIS VIEW WAS NEITHER SCIENTIFIC NOR ACCURATE. HOW CAN ACADEMIC DISCUSSIONS IN THE BRANCHES OR SCIENCE SUCH AS POLITICS, LAW, SCIENTIFIC SOCIALISM, SOCIAL PSYCHOLOGY, SOCIOLOGY, PHILOSOPHY, AND HISTORY DISPENSE WITH DISCUSSIONS RELATED TO THE POLITICS IN HISTORY AND IN OUR TIMES? OUR INTELLECTUALS WHO ARE MASTERS OF OUR COUNTRY AND A PART OF THE WORKING CLASS, WERE ONLY ALLOWED TO CARRY OUT ACADEMIC DISCUSSIONS AND FORBIDDEN TO DISCUSS POLITICS. IS THIS NOT A PRACTICE OF PUTTING THE CART BEFORE THE HORSE? AS A MATTER OF FACT, SESSIONS OF PEOPLE'S CONGRESSES AND CPPCC COMMITTEES AND VARIOUS GET-TOGETHERS AND DISCUSSION MEETINGS HAVE ALL BEEN DISCUSSING POLITICS. SOLICITING PEOPLE'S VIEWS EVERYWHERE AND MAKING PEOPLE THINK FREELY WILL BE VERY GOOD FOR THE FOUR MODERNIZATIONS. OF COURSE, THERE IS A DEMARCATION LINE, THAT IS, WHETHER ONE VIOLATES OUR CONSTITUTION AND CRIMINAL LAW AND WHETHER HE VIOLATES THE FOUR BASIC PRINCIPLES.

THE PARTICIPANTS IN THE FORUM HELD: THE DOUBLE HUNDRED PRINCIPLE IS ALSO A FUNDAMENTAL PRINCIPLE FOR DEVELOPING MARXISM-LENINISM, BUILDING A SOCIALISM WITH CHINESE CHARACTERISTICS, AND RAISING OUR PEOPLE'S SCIENTIFIC AND CULTURAL LEVEL.

JUDGING BY THE HISTORY OF THE TREMENDOUS DEVELOPMENT OF PRODUCTIVE FORCES IN MAJOR HISTORICAL PERIODS SUCH AS THE SPRING AND AUTUMN AND WARRING STATES PERIODS IN OUR COUNTRY, THE RENAISSANCE IN EUROPE, AND THE FRENCH REVOLUTION, FREEDOM OF SPEECH, AND IDEOLOGICAL AND CULTURAL MOVEMENTS PRECEEDED THEM. THEREFORE, IN BOTH SCIENTIFIC AND LITERARY AND ART SPHERES, WE SHOULD ENCOURAGE AND PROTECT THE BRAVE EXPLORATION OF THOUSANDS OF PEOPLE OF INSIGHT. WE SHOULD SWITCH FROM THE PRACTICE OF "SHOOTING THE BIRD THAT IS IN THE LIMELIGHT" TO THE PRACTICE OF PROTECTING THE "3IRD THAT IS IN THE LIMELIGHT." A FEW YEARS AGO, COMRADE HU YAOBANG SERIOUSLY, SINCERELY AND PATIENTLY CRITICIZED BY ARGUMENT AND REASONING PLAYS SUCH AS "IF I REALLY AM WHAT I PRETEND TO BE," AND THUS SET AN EXAMPLE IN ACTUALLY IMPLEMENTING THE DOUBLE HUNDRED PRINCIPLE. THIS SHOWS HIS MAGNANIMITY AND ASPIRATION AS A PROLETARIAN STATESMAN.

The participants earnestly held: It is still necessary to vigorously publicize the double hundred principle in order to make everyone understand it profoundly. We should popularize the double hundred principle, as we have been doing legal knowledge, among leading cadres at all levels, the comrades doing ideological work, the comrades in cultural departments and the people all over our country, and enable them, along with scientists and writers and artists, to emancipate their minds from the fetters of feudal ideology, the ultraleftist tide of thought, bourgeois ideology, and the force of habit of small-scale production. While building our material civilization, we should heighten our people's scientific and cultural level. Only by doing the above can we thoroughly solve the problems related to the construction of our spiritual civilization. Popularization does not mean idle talk; cheering does not mean shouting emptily, to-the-point discussion does not mean talking about principles in generalities.

Many participating comrades were erroneouslsy taken as rightists in 1957 because of their works. They were imbued with deep feeling with recalling the past.
Among the participants, one aged comrade said: The road of carrying out the double hundred principle was full of bumps and hollows. In 1957, I never thought that I would become the one who filled these bumps and hollows. Now, following the 3d Plenary Session of the 11th CPC Central Committee, the work of carrying out the double hundred principle has scored more and more achievements. It is indeed the best period of the state. But there will still be ups and downs, and I am prepared to again become the one who fills the bumps and hollows.

At the forum, the participants talked cheerfully and humorously. They exchanged views freely and it was a lively discussion. An old writer who attended the layout revision forum chaired by Deng Tuo 30 years ago said: The comprehensiveness and depth of issues discussed by this forum, as well as the atmosphere of this forum, have shown the ideological maturity of the survivors and successors after we paid an enormous price for what we did. At the closing session, the participants optimistically held: We must have a mentality of never fearing. This is to have faith in the line of the 3d Plenary Session of the 11th CPC Central Committee and in the CPC Central Committee, as well as to affirm in the most practical way this, the best period since the founding of the state.

RENMIN RIBAO ON COMMODITY, SPECIALIST ECONOMIES

HK300155 Beijing RENMIN RIBAO in Chinese 23 May 86 p 5

[Article by He Jianzhang: "The Commodity Economy: a Stage Not To Be Overstepped in Social Economic Development"]

[Text] The Commodity Economy Not the Monopoly of Capitalism

For a long period of time, there has circulated the traditional concept in socialist economic theory that the socialist economy cannot mix with the commodity economy. After the party's decision to reform the economic system and the gradual application of the market mechanism and especially after the adoption of the decision on economic reform at the 3d Plenary Session of the 12th CPC Central Committee in which it was clearly pointed out that the socialist economy is a planned commodity economy based on public ownership, some people still wonder whether this means giving up the socialist direction and introducing a capitalist market economy. This shows that some people mentally still treat the commodity economy as a monopoly of capitalism and something incompatible with socialism. Actually, this is lumping together things in two different categories, thus causing confusion where awareness is required.

It is common knowledge that social patterns are defined according to the means of production possessed. Human society has undergone five social patterns. The commodity economy is not one of them. It is instead a form of economic links between people and is in a category that is the opposite of a self-sufficient natural economy of a sealed nature. So far, human society has gone through two stages -- the natural economy and the commodity economy. In the natural economy, there is no social division of labor. People produce everything they need. There is not the relationship of an exchange of products taking place between producers. The commodity economy is based on the social division of labor. Producers separately take up the production of certain products. To satisfy each other's needs in various fields, producers mutually exchange the products of their own labor. The commodity economy sprouted toward the end of the primitive commune system and showed development in slave society and feudal society. But given these social patterns, the commodity economy did not thrive, with the natural economy dominating. Only in capitalist society does the commodity economy permeate through every field and become a common overwhelming way of production and exchange.

In socialist society, commodity production and commodity exchange still widely exist. The socialist economy is not the natural economy but the commodity economy. This is due to not only the more developed way of social division of labor in socialist society but also due to the existence in socialist society of different owners of the means of production and products. Even between state enterprises owned by all the people with the means of production belonging to the same owner, there also exist relations between commodities and currency. This is because in a socialist society's labor, there still exist fundamental differences. Labor is still an individual's means of making a living. Material concern shown by laborers or integrated enterprises as laborers over the results of their own labor is the driving force of social production.

Economic ties between state enterprises arising therefrom cannot be without compensation and must be guided by the principle of exchange of equal values inherent in the commodity economy. They still have the attributes of a commodity economy. But for a fairly long period of time, people have been debating endlessly about whether the commodity economy exists in socialism. Now a definite answer has been provided by practice.

Conditions above show that the life of the commodity economy is incomparably longer than that of capitalism. It arose several thousand years earlier than capitalism. It still lasts in socialist society after capitalism. The commodity economy is a phenomenon shared by many social patterns. It is not a characteristic of a given social pattern. On this problem, Marx said very clearly: "The two phenomena of commodity production and commodity circulation are shared by many methods of production, though different in scope and importance. Therefore, if we must recognize the abstract category of commodity circulation shared by them, we cannot have any understanding of the features of these methods of production. Nor can we arrive at any judgment." (Das Kapital, Vol 1, p 107, a 1956 edition by the People's Publishing House). On the contrary, as far as the character of the commodity economy under different social patterns is concerned, it is determined by the relevant dominating method of production under a given social pattern and chiefly by the system of ownership of the means of production inherent in that social pattern. A simple commodity economy reflects the relations of supplying each other's needs among independent producers possessing the means of production.

A capitalist commodity economy chiefly reflects the relations of the exploiter between the bourgeoisie possessing the means of production and the penniless proletariat. The socialist commodity economy (chiefly meaning the relation of commodities and currency in the economy with the system of ownership by all the people predominating reflects the relations of a division of labor and coordination between integrated laborers, who jointly possess the means of production but with differences in material interests. In sum, there is not the least justification for the practice of indiscriminately lumping together the different character of a commodity economy under different social patterns and especially equating the commodity economy with the capitalist economy.

Two Economic Concepts and Two Economic System Patterns

Under the guidance of the traditional concept about the socialist economy being incompatible with the commodity economy, many socialist states in the past consciously or unconsciously took the concept of the natural economy as a guide and formulated their own system for economic management. The features of such a system are: ruling out the circulation of commodities, refusing to use the market mechanism, negating the regulating role of the law of value, purely relying on administrative means, and carrying out economic management through the means of distributing material goods. The common argument was that the whole socialist economy is like a big factory, various enterprises being shops in it with only the relations of technical division of labor between them, and no relations of commodities and currency involved. Production assignments for enterprises come direct from the state. All the means of production are directly provided by the state. The products turned out are directly distributed by the state. For products handled under state plans, prices are also worked out and accounts kept. But this is only to figure out social labor consumption.

It has nothing to do with market needs and the relations between supply and demand. Nor does it concern the material interests of enterprises and workers. Enterprises are under unified financial control where receipts and expenditures are concerned. All profits are handed over to the higher levels. Appropriations for expenditure come from the state. All workers get paid for their labor according to unified work categories and wage standards. An enterprise's profits or losses make no difference. A worker's good or bad performance means the same thing. This is a system of distributing material things and sharing equally in the same rice pot. This is actually an economic system based on the pattern of a self-sufficient small-production natural economy. It is nothing but an extension of the operation pattern of small producers to all society. This highly concentrated management system of a material economy (natural economy) has no regard for differences in material interests between laborers and between enterprises under social mass production conditions and seriously suppresses their enthusiasm for production and operation, causing a reduction in efficiency. It disregards the role of the market and the law of value and pays no attention to economic results, thus causing an imbalance between supply and demand and a lack of balance in other fields. Facts show that if not reformed, this system holds out no future.

Since the commodity economy is a stage not to be overstepped in social economic development and since we are now still in this stage, then the basic direction of reform must be compatible with the demands of the full development of the commodity economy. It calls for resolutely reforming all management systems incompatible with such demands established under the influence of the concept of the natural economy and all relevant regulations and systems. In the past few years, we have actually acted in this way. First, we have recognized the independent economic interests of laborers and their integrated operations (enterprises) and enlarged the decision-making power of enterprises, enabling them to gradually become in reality relatively independent economic entities and socialist commodity producers and operators who operate on their own and who are responsible for their own profits and losses. In enterprises, we have introduced different versions of the economic responsibility system. Second, we have further developed the market for socialist commodities and gradually perfected the market system. In the process of reforming our economic system, we have gradually dropped the unified purchase and marketing system for industrial products of daily use and the system of planned state purchases and fixed purchase quotas for agricultural and sideline products.

We have made a break with boundaries between administrative divisions and between ownership systems adopting various flexible purchase and marketing practices, such as planned purchase, placing orders for purchases, making purchases on a selective basis, effecting sales on others' behalf, self involvement in marketing, transportation of goods long distance for sale on a collective or individual basis, and so forth. The purchase and sale of other means of production and means of subsistence are also liberalized wherever possible. In the past few years, our money market has also shown certain progress. Putting together funds for joint operations, raising funds from among the masses, using commercial credit facilities, and various other ways of directly obtaining funds have been successively introduced.

Various financial instruments, such as state treasury notes, bills, stocks, bonds, mortgage papers, and so forth, have successively surfaced. This has played a positive role in stimulating the accumulation of social funds and their effective use. During the period of the Sixth 5-Year Plan, there also appeared a market for technology and for labor in its initial stage. To develop and perfect the market system, we have in the past few years also readjusted the pricing system and reformed the price control system. We have initially readjusted the extremely irrational prices of certain products and relevant price ratios and properly delegated power in the matter of price setting. We have also made a change from the system calling for planned prices alone to a variety of pricing patterns ranging from planned prices to floating prices, negotiated prices, free prices, and so forth.

In perfecting the socialist market system, we must also seriously study and borrow the advanced experiences of various countries in the world, including capitalist developed countries. As mentioned above, the commodity economy is not the monopoly of capitalism and is instead a product of the development of the social division of labor and social mass production. The thriving capitalist commodity economy and market system have played an important role in stimulating the development of the capitalist economy. Management experiences about the capitalist commodity market, money market, technology market and labor market not only have capitalist features but also reflect in many respects the common laws governing the commodity economy. They represent the common wealth of mankind. We cannot refuse to draw on these management methods just because they have been used by the bourgeoisie. Of course, under capitalist conditions, these management methods have bourgeois features. For example, apart from meeting the necessary needs of society, the capitalist commodity market also tries by every means to satisfy the demands of hackneyed bourgeois life. Apart from being able to pool funds and supply needed funds in a relatively flexible way, the capitalist money market partakes of a highly speculative nature. The capitalist labor market suits the need for mobile labor arising from constant changes in the industrial structure under mass production conditions. Meanwhile, it is also a place where trading in labor takes place. Great pressure on hired laborers has always been maintained. The capitalist relations of exploitation are reflected. Therefore, in drawing on these experiences, we should make a careful analysis or study. Certain useful experiences must be absorbed and put to use. They must be linked with our country's concrete conditions in gradually establishing a socialist market system with Chinese features.

The socialist commodity economy has public ownership as its basis. This dictates that its development be subordinated to fundamental socialist economic laws and the need for the proportionate development of the national economy. In other words, its development must be conducive to the development of social productivity and helpful in satisfying the ever growing material and cultural needs of all society and its members and be controlled by macro plans. This is fundamentally different from the capitalist commodity economy governed by competition and the anarchy in production with the pursuit of maximum profits as its goal. The socialist commodity market is not all-inclusive. Under socialist conditions, all state enterprises and resources, such as land, mines banks, railroads, and so forth, are not commodities.

As a component of the socialist economy, the money market has its source of funds limited to idle money temporarily put aside as income by enterprises and residents. This kind of income is part of the production and operating results of enterprises as laborers' integrated operations and is pay for work according to the principle of distribution according to work. The interest or dividend payment on it is also a kind of compensation of reward for an accumulation of past work.

Under socialist conditions, there is no toleration for the emergence of a class living off profit or interest -- people who rely on money as capital to trade on the long or short side of the money market manipulating things and who rely on cutting out dividends to lead a parasite's life. The socialist labor market allows enterprises to select and employ the best of workers. Workers also have the freedom to choose the kind of work they like. But this does not take the shape of a reserve force for an industry to force down the wages of workers on the job. Instead, it is a way to guarantee the rational circulation and rational use of workers and realize the aim for workers to choose the kind of work they like as masters of socialist society. Under the socialist system, the state has the obligation to guarantee employment for workers. A worker's average pay gradually rises with the rise in social labor productivity. What determines the difference in pay is the principle of distribution according to work and not the value of labor and the demand-and-supply situation in the labor market. In sum, the socialist market system has many areas in common with the capitalist market system in form. This is determined by the existence of the commodity economy in both socialist society and capitalist society. Meanwhile, there are fundamental differences between them. This is determined by the difference between socialist society with its system of public ownership of the means of production and capitalism with its system of private ownership. Those people who worry that taking certain aspects of the capitalist market system as a basis for reference will lead to blurring and obliterating the line of division between socialism and capitalism fail to make a distinction between form and content. They are therefore incorrect in their views.

In line with the effort to gradually establish and perfect the socialist market system, we must gradually establish a new macroeconomic management system. The state's control of social economic activity must undergo a gradual transition from the emphasis on sole reliance upon administrative means to exercise direct control to an emphasis on reliance upon economic means to exercise indirect control. The state must still formulate plans for national economic and social development as a main basis for objectively guiding and controlling harmonious economic and social development. But in realizing state plans, we no longer mainly rely upon mandatory production and distribution targets and instead mainly rely on applying economic policies and such economic levers as pricing, taxation, credit, interest rates, exchange rates, wages, and so forth to effect macroeconomic control and regulation in an overall manner. A new problem confronting us is to learn how to skillfully apply these economic levers, in order to facilitate a smooth switchover from the old to the new system.

RENMIN RIBAO URGES COOPERATION AMONG ENTERPRISES

HK240758 Beijing RENMIN RIBAO in Chinese 17 May 86 p 2

[Commentator's article: "We Want Association, Not Joining Together by Arm Twisting"]

[Text] In developing economic association among industrial enterprises, we should not rig them up by administrative means. This question calls for our attention in the current drive to promote lateral economic association, which is now in the ascendant. Experience has demonstrated that "enterprise groups" like the Luoyang bearings industrial amalgated company which have been reluctantly rigged up with the administrative interference of the higher authorities do not have internal economic connections and cannot develop professional cooperation. Such enterprise groups do not benefit the development of productive forces.

In promoting lateral economic association, we must meet the needs of national economic development and of different enterprises and satisfy the needs of developing the socialist commodity economy. Only in such a way can amalgamated enterprises yield satisfactory economic results. Enterprises amalgamated by administrative arm twisting only meet the needs of regional or departmental administration; they actually protect the interests of departments and regions under the guise of later economic association. This goes counter to the orientation of reform.

In amalgamating with each other, enterprises must be bonded by internal economic ties. Only by adhering to the principle of "voluntariness, equality, and mutual benefit" will such amalgamation be satisfactory.

Enterprises must be amalgamated voluntarily. To amalgamate with other enterprises, an enterprise must think it over again and again and fully respect the objective economic law. This is an important decision-making power in the hands of an enterprise in business operations. To amalgamate with other enterprises, an enterprise must make in-depth studies of the cost of cooperation, product quality, the cycle of goods supply, and the transport capacity of its counterparts from economic and technological angles. Only by so doing will it be able to find its best partnership over the whole country (even in a wider range) to display overall economic superiority and to achieve the desired economic results.

Enterprises must be amalgamated on equal footing. An amalgamated enterprise acts as an independent accounting unit with rights and duties and is responsible for its own profit and loss; it is held responsible for the overall economic results and its own economic results achieved in cooperative production. Therefore, it is not permissible for one side of an enterprise group to impose "unequal treaties" on the other side, nor is it permissible for administrative organs that have nothing to do with the enterprise group to override enterprises and to unreasonably interfere in their business.

Enterprises must be amalgamated on the basis of mutual benefit. Firm and harmonious amalgamation of enterprises cannot be achieved unless they really need each other and they are bound by a common goal. Each must demonstrate its own strong point and keep clear of its weak points so as to complement one another and improve overall economic results. At the same time, interests must be distributed on a reasonable basis so that every individual unit can benefit from lateral economic association.

Because no clear distinction was drawn between the functions of the government and the enterprises for a long time, administrative departments are used to ordering about enterprises at will When developing lateral economic association, some areas and departments continue to use their old methods to interfere in enterprise amalgamation by administrative means. This reminds us that departments responsible for enterprises must vigorously publicize the significance of lateral economic association, formulate and readjust relevant policies, reform superstructure and production relations that hamper such association, and provide enterprises with relevant information so as to guide and help enterprises to be amalgamated on a lateral economic basis.

BO YIBO ADDRESSES HENAN PROVINCIAL MEETING

HK221558 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 21 May 86

[Text] This morning, at the meeting of the principal responsible comrades of all departments and commissions of the Henan Provincial CPC Committee and the party groups and CPC committees of all units at the provincial level and above, Bo Yibo, permanent vice chairman of the Central Advisory Commission, delivered an important speech on the issues of reform, party rectification, rectification of incorrect work style, and unity of the leadership groups.

Comrade Bo Yibo said: Henan's rural reform has started early and great achievements have been scored. This province has changed from a province to which grain was allotted to a province which is sending grain out. It has a large population but can solve the problem of grain. This is the result of the efforts of all previous terms of the Henan CPC Committee and of the comrades. In urban reform, although there are more difficulties, achievements in reform have still been scored.

Comrade Bo Yibo said: In the Seventh 5-Year Plan, reform is the center. Reform can promote the backward. Reform must succeed and will surely succeed. All of us must clearly understand this problem ideologically. When people have confidence, they have energy. Confidence comes from the unification of thinking.

Comrade Bo Yibo pointed out: We must understand that reform is a great revolution. When we wage revolution, we must take risks. We must not be panic-stricken when risks arise. We must strengthen party leadership and demand that every party member be able to enhance his party spirit and have his own style as a communist party member. Without several tens of millions of willing pioneers, reform cannot succeed.

Comrade Bo Yibo stressed: Leadership groups must unite, establish new work styles, regard the past historical problems as a product of the special historical conditions, and unite but not split. Veteran comrades must set an example, support the new groups to ensure stability and unity, and not interfere with the work of the new groups. The comrades of the new groups must respect the veteran comrades. People inside and outside the leadership groups must act in accordance with the principles of the party. All of us are Communist Party members, who hail from all corners of the country and struggle hard for a common objective; we must take the overall situation into consideration, lay stress on unity and practical results, and emulate each other in contributions.

While in Zhengzhou, Comrade Bo Yibo went to the Zhengzhou Electric Wire and Cable Factory and the Zhengzhou Second Grinding Wheel Plant to conduct investigation and study.

CENTRAL LEADERS VISIT GRASS ROOTS, IMPROVE STYLE

OW240334 Beijng XINHUA Domestic Service in Chinese 0641 GMT 22 May 86

[Excerpts] Beijing, 22 May (XINHUA) -- Since the convocation of central organ cadre meetings earlier this year, central government functionaries, party members who are leading cadres in particular, have gone down to the grass roots to perform solid work, thereby achieving a marked improvement in work style.

Leading cadres of some central government departments have taken the lead to go deep into the frontlines of production or operation. In the first quarter of the year, Yang Yichen, procurator general of the Supreme People's Procuratorate, joined 90 cadres from the procuratorate on separate fact-finding tours of Shanxi, Guangdong, Fujian, and Sichuan to help handle major and serious cases and give advice regarding the application of policy in processing cases. Yu Hongen, minister of coal industry, visited the grass roots for a total of some 30 days in the first quarter of the year, during which time he went down to the shaft 7 times. Huang Yujun, vice president of the Industrial and Commercial Bank of China, made a trip to Fujian to familiarize himself with the work of industrial and commercial banks there. During the trip, which went from northern to southern Fujian and lasted almost a month, he visited a dozen cities and counties, called on grass roots cadres working on the frontline of operation in remote mountainous areas, and attended over 20 forums.

In the course of rectifying party style, some central government organs have paid close attention to improving work style and overcoming bureaucracy in order to better serve the grass roots. The Ministry of Astronautics Industry, earnestly summing up experience and lessons drawn from the previous work in a determined effort to eliminate bureaucracy and improve office work style, successively organized 5 investigation groups to examine management and operation at selected points, 6 work teams to implement the ministry work meetings' decisions, and 5 political and ideological work inspection teams during the first quarter of the year. Led by ministry- or bureau-level leaders, or leaders of the political department, the groups or teams went deep into the reality to obtain first-hand information concerning the situation and to hold temporary offices on the spot, thereby solving quite a few practical problems. Led by Minister He Kang, some 300 cadres of the Ministry of Agriculture, Animal Husbandry, and Fishery, including 3 vice ministers, 2 advisers, and scores of department or bureau level cadres, visited over 1,000 grass roots units and farm households in 300 counties in 26 provinces and autonomous regions throughout the country. They prepared over 390 documents to promote implementation of the central authorities' 1986 No 1 Document, thereby providing the basis for making macroeconomic policy decisions on the current rural situation for the ministry and higher authorities.

During fact-finding trips to the grass-roots, leading cadres of some central government organs were praised by the masses of people for setting strict demands on themselves and preserving and carrying forward the fine tradition of building the country through thrift and hard work. Minister of Metallurgical Industry Qi Yuanjing, while setting up temporary offices at some enterprises in Nei Monggol, stayed at the Baotou Iron and Steel Company's reception center instead of an expensive guesthouse, and turned down local leaders' welcoming and farewell dinners for him.

During his 5-day temporary visit, he joined local departments concerned in helping these enterprises resolve a number of important questions. Minister of Electronics Industry Li Tieying, while inspecting ministry affiliated plants on the eastern suburbs of Beijing Municipality, insisted on riding the same bus and dining together with other ministry cadres.

DENG LIQUN ON PRESERVATION OF FOLK CULTURE

OW270127 Beijing XINHUA Domestic Service in Chinese 1225 GMT 26 May 86

[By reporter Yin Hongzu]

[Excerpts] Beijing, 26 May (XINHUA) -- Over 100 experts, scholars, and noted folklorists from Beijing and other parts of the country met at the Great Hall of the People this morning to discuss preservation of Chinese folk culture.

Deng Liqun, Ngapoi Ngawang Jigme, Zhou Gucheng, Qian Changzhao, and leading comrades of relevant departments attended the meeting to listen to the opinions and proposals of the experts and scholars.

Addressing the meeting, Deng Liqun said: To rejuvenate China and carry out socialist modernization, we must make special efforts to promote a national spirit inseparable from the influence of China's folk culture. Deng Liqun hoped that a good job would be done in collecting, compiling, preserving, researching, and fostering folk culture so that people will have a better understanding of China's age-old folk culture, develop a deeper affection for the nation, and become more aware of the need of rejuvenate the country.

In his speech, Zhou Gucheng urged people of all walks of life to work hard to achieve even greater succeses in preserving and studying Chinese folk culture.

The experts and scholars pointed out at the meeting that folk culture creators and propagators of all nationalities, including folksong singers, folklore tellers, and folk artists should be respected and protected, their copyrights should be respected, and their livelihood should be taken care of.

DENG LIQUN COMMENDS BEIJING 'PARENTS' SCHOOLS'

OW241655 Beijing XINHUA in English 1534 GMT 24 May 86

[Text] Beijing, May 24 (XINHUA) -- What should you do when your child is found telling lies? What is to be done when your child plays for hours in the streets after school, instead of going home? How do you help your daughter overcome her shyness and anxiety when she begins having periods?

If you are a parent in Beijing, you can count on one of the 500 "schools" specially set up for parents to find answers to such questions, according to education officials here today.

"Parents' schools" are actually sparetime classes for parents of primary or junior middle school pupils. Courses offered include education science and child psychology and hygiene. Such schools also provide opportunities for parents to share their experience in educating their children.

At a meeting today to commend 31 "parents' schools", Deng Liqun, member of the Chinese Communist Party Central Committee Secretariat, called on all primary and middle schools in the Chinese capital to set up classes for the parents of their students.

"It is important to the state, society and families to help all parents understand how to help their children develop properly," he said, "now that the country pursues a one-child family policy for most urban residents."

In Beijing, as elsewhere in China, many parents tend to spoil their only children. The other extreme is that they set too high a demand on their children, often resorting to beating and scolding in order to make them study hard. "It is justified for parents to hope that their children would become somebody when they have grown up," said Deng Liqun. Therefore, it is all the more important for parents to learn the correct way of educating their children.

A 10-year-old primary school girl wrote a letter to a boy, saying that she had fallen in love with him. Her father saw the letter by chance before it was mailed, and got into rage. Fortunately, the father was cool-headed enough to consult his "parents' school". A couple of days later, he talked to the girl on the necessity of making friends with all her classmates -- boys and girls alike. And the girl finally was persuaded into handing over the letter to her teacher.

"But for the 'school', I would have beaten her," said Gao Futong, an engineer in a designing institute, in an interview with XINHUA.

DENG LIQUN ATTENDS BEIJING CHORUS PERFORMANCE

OW262325 Beijing XINHUA Domestic Service in Chinese 1417 GMT 25 May 86

[By reporter Zhou Peiyan]

[Excerpts] Beijing, 25 May (XINHUA) -- Twenty-five members of a chorus team, who attended and won a gold medal at the Sixth World Youth Festival 30 years ago, staged a performance at the Beijing Music hall this evening. These veteran chorus team members in their fifties received a standing ovation from over 1,000 persons in audience. Deng Liqun, Wang Renzhong, Zhu Houze, Wang Meng, Li Ying, Zhou Weizhi, Li Huanzhi, and Cheng Siyuan attended the performance.

DENG LIQUN, HAO JIANXIU MEET REPORTING GROUP

OW231251 Beijing XINHUA Domestic Service in Chinese 1515 GMT 21 May 86

[By reporters Li Shangzhi and Zhang Sutang]

[Excerpts] Beijing, 21 May (XINHUA) -- Deng Liqun and Hao Jianxiu, members of the Secretariat of the CPC Central Committee, met the Reporting Group on the Deeds of Comrade Xiaong Yuanqi, an Outstanding Political Work Cadre, in the Huairen Hall at Zhongnanhai this afternoon. They pointed out that ideological and political work should be further stepped up in the new period when we are promoting socialist civilization both materially and spiritually. In this respect, Comrade Xiaong Yuanqi had set an example for all political work cadres and all leading cadres of the party at various levels. They expressed gratitude on behalf of the party Central Committee to the Jianghan Oilfield for having produced such an outstanding party member as Xiong Yuanqi.

Deng Liqun said: Our political cadres must also become familiar with vocational work, because one cannot be a good political work cadre if all he can do is talk. They should emulate Xiong Yuanqi in displaying a spirit of self-confidence, self-improvement, and self-respect in order to boldly create a new situation of ideological and political work. More importantly, they should learn from him by showing the spirit of self-sacrifice, plunging themselves body and mind into the cause of serving the people.

Deng Liqun said: The oil industry front has a fine tradition of carrying out ideological and political work and the work done by the party organizations and workers of the Daqing Oilfield has been the most outstanding. The advanced deeds of Comrade Xiong Yuanqi need to be still more extensively and thoroughly publicized. Various forms and methods of propagation should be adopted to publicize this fine example among those doing ideological and political work. We must use reasoning to convince people, use facts to educate people, and use images to move people when doing the publicizing. He said: We are in an era of rich and colorful life and there is an endless stream of advanced personages. There is plenty for writers, artists, and propaganda workers to do.

Hao Jianxiu said: Comrade Xiong Yuanqi was worthy of being an outstanding party member and political work cadre brought up by our party. His deeds, showing how determined he was to become an engineer of ideological and political work, are touching to hear. At present it is particularly important for us to step up our efforts in this respect. We hope that hundreds and thousands of political work cadres like Xiong Yuanqi will emerge in the course of the drive to build the socialist material and spiritual civilization.

Deng Liqun and Hao Jianxiu asked the comrades of the reporting group to convey the cordial greetings of the comrades working in the CPC Central Committee to Comrade Xiong Yuanqi's wife when they returned. Hao Jianxiu said: We should thank Comrade Cheng Jizhen for the part she did in the contributions made by Comrade Xiong Yuanqi.

During the meeting, Wang Tao, minister, and Zhou Yongkang, vice minister, of petroleum industry; and Wang Daming, deputy director of the Propaganda Department of the CPC Central Committee; gave an account respectively of the efforts being made by the petroleum industry, other departments, and localities in learning from Comrade Xiong Yuanqi.

HAO JIANXIU ENDORSES YOUNG PIONEERS' EDUCATION

OW251922 Beijing XINHUA Domestic Service in Chinese 0133 GMT 25 May 86

[Text] Beijing, 25 May (XINHUA) -- In a recent letter to the National Committee for Young Pioneers' Work, Hao Jianxiu, member of the Secretariat of the CPC Central Committee, points out that communist education must be intensified among the nation's Young Pioneers.

Hao Jianxiu says in her letter: Young people are the hope and the future of our country. Building China into a modern, highly civilized, and highly democratic socialist country requires the efforts of several generations. It is also a long-term strategic task to educate our children on communism, so that they will become morally, intellectually, physically, and aesthetically developed communist people who have lofty ideals and a high sense of discipline.

Hao Jianxiu continues: Educating the vast number of children on communism is an important aspect in intensifying socialist spiritual construction and it requires powerful ideological and political work. Party committees at all levels must fully understand its far-reaching significance and give it effective and strong leadership. Under the party committee's centralized leadership, all units under the CYL and youth work coordination committee must earnestly provide our young people creative, lively, and colorful communist education in accordance with young people's characteristics and the guidelines set forth by the CPC Central Committee in its October 1985 circular on improving young people's education. We should stress practical results, pay attention to typical cases, learn fresh experiences, and guard against formalism.

In her letter, Hao Jianxiu urges all Communist Party members, CYL members, cadres, staff members, PLA commanders and fighters, teachers, and guardians to care for young people's growth, and work in coordination with each other to bring up the younger generation. Hao Jianxiu also urges them to set an example for young people with words and personal deeds.

Hao Jianxiu's letter was written after she read the opinions of the General Office of the National Young Committee for Young Pioneers' Work on promoting communist education among the nation's Young Pioneers. According to the committee, Young Pioneers should be educated to: 1) foster communist ideals, beginning with loving the country; 2) emulate heroes and models and carry forward revolutionary traditions; and 3) display collective spirit and place people's interests above everything else. Hao Jianxiu endorses these opinions in her letter.

ZHENZHOU CITY REHABILITATES FACTORY DIRECTOR

HK310616 Beijing RENMIN RIBAO in Chinese 30 May 86 p 1

[Report: "Zhenzhou City CPC Committee Asks the City's No 2 Communications and Transportation Company To Reinstate Song Beifang in His Former Post of Plant Director"]

[Text] The Zhenzhou City CPC Committee made a 3-point decision on 27 May on the case concerning Song Beifang, director of the city's motor vehicle plant: first, the City's No 2 communications and transportation company's decision to dismiss Song Beifang from his post of plant director was wrong, and the company should rescind this decision and reinstate Song Beifang as director of the motor vehicle plant. The director responsiblity system should be adopted in the plant. Second, in light of the CPC Central Committee's decision on economic structural reform and the State Council's policy stipulations about reforms in collective enterprises, the motor vehicle plant is selected to carry out the pilot project in reforming the economic structure of the collective enterprises. It will not be subordinate to the No 2 communications and transporation company, and affairs concerning the dissociation should be properly handled. Third, the handling of this case should be used as an example to educate cadres and the masses so as to create a relaxed external environment for enterporise reforms and to promote the in-depth development of reforms in the whole city.

Comrade Song Beifang is a plant director who is resolved to carry out reforms. He achieved marked economic results through reform in the motor vehicle plant. However, due to the erroneous decision of the department concerned, his reform efforts were frustrated. RENMIN RIBAO published a detailed report about his dismissal from office and the reasons and consequences of this case on 23 April.

Commentator's Article

HK310626 Beijing RENMIN RIBAO in Chinese 30 May 86 p 1

[Commentator's article: "Take a Clear-Cut Stand in Supporting the Reform"]

[Text] How to view and assess the merits and demerits of the reformists and to judge whether their actions are right or wrong is a question that many people are concerned with. Recently, some enterprise leading cadres who carried out reforms were faced with all sorts of criticisms and censures and were forced into a difficult position. Some of them were relieved of their posts, and some of the leaders sent in replacement were also facing a critical juncture: They had to decide whether to continue the reforms, or to stop the reforms, or even to backtrack to the old path. Under these circumstances, it is the upper leaders' important task to correctly appraise the merits and demerits of the reformists by distinguishing the main stream from the nonessentials so as to fully affirm their achievements and to protect their reform enthusiasm. This is an issue which not only concerns the personal fate of these reformists, but also concerns the overall interests of the nation and whether we can carry the reforms through to the end and fulfill the strategic plan of quadrupling our production by the end of this century. So we must never treat this issue lightly.

The economic structural reform is the second revolution in our country. It is a brand-new cause. In order to carry out reform, we must do a great deal of pioneering work and we have to properly handle a series of complicated political, economic, social, and personnel issues. "How can a person avoid mistakes since he is not a saint?" A valuable trait of the reformists is their courage in taking risks and acting as pioneers to blaze a new trail. Their efforts have brought new vitality to the enterprises and they are supported by the working masses. However, some people (including some leaders of the government departments in charge of the enterprises) are keen on finding fault and they merely want to see the reform pioneers tumbling and making mistakes. Once they find some problems, even some trivial problems, they immediately attack the reformists and obstruct the reforms. As some enterprise leading cadres said, at present, it is not enough to merely rely on the determination of the reformists in the enterprises to ensure the smooth development of the reforms, and it is necessary for them to obtain the full support and protection of the upper authorities. Only support and protection from the upper authorities can relieve the pressure on the reformists. Of course, the reformists themselves have shortcomings and faults. So the upper authorities should also give them timely warnings and enthusiastic help so as to promote the reforms. In the course of cracking down on serious economic crimes and straightening out the party style, we must very carefully protect the reform enthusiasm of the cadres and the masses, and must not confuse some unavoidable errors in reform caused by the ambiguous stipulation of the policies with the unhealthy tendencies and corrupt practices that we must check. At the same time, we must not mix up reformists who have made achievements and have also committed some mistakes with lawbreakers who line their own pockets under the guise of carrying out reforms. When handling these issues, leaders must be very prudent and sober-minded in making these distinctions.

We should notice that at present, some reformists have been censured or dismissed from their posts, not because they have committed any serious mistakes, but because their reforms have affected the vested intersts of some people in power or have broken through some old conventions which their "bosses" are still fond of.

These superiors are wont to issue arbitrary orders to their subordinates in light of the old conventions and forbid comrades who want to carry out reform to break with the old conventions. If an enterprise leader dares to carry on reforms and does not obey their erroneous instructions, they will use their power to deal with the enterprise reformist in a wrong way. When such cases happen, the upper authorities should act like the Zhenzhou City party committee to resolutely uphold justice and support reforms. At the same time, they should seriously criticize and educate the responsible cadres who use coercive means to obstruct reforms so as to help them correct their attitude and raise their consciousness.

'GRAPE-GROWER SONG' EMBODIES POLICY OF ENRICHING PEOPLE

HK010612 Beijing RENMIN RIBAO in Chinese 27 May 86 p 2

[Newsletter by reporter Yao Gannan: "'I Believe the Party's Policy of Enriching the People Will Not Change!' -- Revisiting 'Grape-Grower Song'"]

[Excerpts] What has become of "grape-grower Song?" Over the past 3 years, I have followed with interest the "destiny" of the specialized household. Song Zeming, an ordinary peasant, built up a family fortune as a grape grower several years ago. In November 1982, I called on him. Afterwards, RENMIN RIBAO carried a newsletter with the heading "The Story of How 'Grape-Grower Song' Is Getting Rich." Consequently, "grape-grower Song" has become well-known throughout the country.

In late April this year, I went to Zhaoge Village in Gaomi County, Shandong Province, and revisited "grape-grower Song." What a surpise! His home has changed amazingly. The old, small thatched cottages have beenre placed by a red brick house with seven rooms. On the gate hangs an antithetical couplet, reading: "The party's policy of enriching the people has the support of the people; every household brews good wine to extol the kindness of the party." Our talk definitely started with the party's policy of enriching the people.

"Grape-grower Song" by no means thinks only of his own family. Three years ago, he decided to lead the whole village to grow vines. Today, his hopes have been realized. This year 115 households in Zhaoge Village are cultivating vines.

HU YAOBANG ENCOURAGES YOUNG PIONEERS COUNSELLOR

OW020539 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 31 May 86

[Excerpts] Yu Minde, principal of the experimental primary school in Wenling County, has been engaged in guiding Young Pioneers for 36 years and has helped promote red scarf activities. He has repeatedly received commendations from departments concerned of the central authorities and this province.

Comrade Hu Yaobang recently sent a message to him through the General Office of th CYL Central Committee encouraging him to work vigorously for 30 more years.

Since the end of 1949, Yu Minde has started to work as a counsellor for Young Pioneers. On National Day in 1955 he attended the national meeting of young activists in building socialism as a representative of outstanding counsellors for Young Pioneers and was received and encourged by Comrades Zhao Enlai and Hu Yaobang.

Many parents pointed out that their children, since entering the experimental primary school in Wenling County, have begun to love labor, study hard, and know courtesy. Yu Minde pledged that he would follow Comrade Hu Yaobang's advice and vigorously work for 30 more years.

PUNISHMENT FOR NEGLECTING DUTIES URGED

OW210935 Beijing XINHUA Domestic Service in Chinese 1053 GMT 30 May 86

[Text] Beijing, 30 May (XINHUA) -- Title: It Is Imperative To Investigate Those Seriously Negligent of Their Duties and To Determine Their Criminal Liability by XINHUA Commentator

Pan Fengcai, former party branch secretary and director of the Nanyuan Vegetable cold storage plant, Shi Xiwen, deputy director of the plant, and Wang Louzeng, also a former secretary of the plant's party branch, were found negligent of their duties, causing some 700,000 kilograms of vegetables to rot or deteriorate. They were arrested according to the law and put under investigation to determine their criminal liability. This case has given the people a very good education.

The vast majority of our state personnel are loyal to their duties and work diligently and earnestly for the people. However, some of them are certainly negligent of their duties and pay no attention to state property, such as Pan Fengcai, Shi Xiwen, and Wang Louzeng. If we fail to punish them according to the law, we can not suppress the people's indignation, strictly enforce law and discipline, and arouse those who are seriously bureaucratic. Article 187 of our country's "criminal law" states: "State personnel who, because of neglect of duty, cause public, property or the interests of the state and the people to suffer major losses are to be sentenced to not more than 5 years of fixed-term imprisonment or criminal detention." Obviously, if an act of neglect of duty develops to the extent of causing major losses to public property and the interests of the state and the people, it is a crime and no longer a general mistake in work. In our country, the crime of neglect of duty is only one of the crimes of dereliction of duty. Whether a person who has committed the crime of neglect of duty should be sentenced and, if so , how long the imprisonment should be all depend on the seriousness of the case and its consequences. Article 192 of Chapter VIII "Crimes of Dereliction of Duty" of the "criminal law" states: "For state personnel who commit a crime in this category, if the circumstances are minor, the department in charge may, according to the circumstances, consider giving them administrative sanctions." Some people who have committed the crime of neglect of duty may be given administrative sanctions instead of being sentenced. This is because the circumstances of their crimes are minor; it should not be construed to mean that they are innocent. Those whose cases are serious must be punished according to the law.

It is not hard to understand why serious neglect of duty is a criminal act. In the aforementioned case, the peasants labored painstakingly to grow the vegetables. Then, the state spent a lot of money to buy the vegetables and the staff and workers of the transportation department worked day and night to transport the vegetables to Beijing and put them in the cold-storage plant. Many families in the capital looked forward to having fresh vegetables to eat in the winter. However, a large quantity of the vegetables turned into a rotten mess because of the neglect of duty on the part of Pan Fengcai, Shi Xiwen, and Wang Louzeng. Can the people let them go without being punished according to the law?

For a long time, many people have been thinking that only embezzlement and bribery are crimes, but fail to see that neglect of duty is also a crime. Some cadres are seriously derelict of duty, causing major losses to the party and the state. Shielded by bureacracy, however, they are not punished by the law. This state of affairs must change.

BEIJING: LI XIMING ADDRESSES CPPCC CLOSING SESSION

SK310822 Beijing BEIJING RIBAO in Chinese 21 May 86 pp 1, 2

[Excerpt] After satisfactorily completing all the predetermined items on its agenda, the Fourth Session of the Sixth Beijing Municipal CPPCC Committee successfully concluded on the afternoon of 20 May.

The session was presided over by Gao Ge, vice chairman of the municipal CPPCC Committee. Li Ximing, secretary of the municipal CPC Committee, delivered an important speech at the session.

The session adopted the resolution on accepting the resignations of Fan Jin, Liu Yong, Zhang Qinglian, Chen Shengwu, and He Yiping, and unanimously elected Comrade Bai Jiefu chairman of the municipal CPPCC Committee, Comrade An Lin vice chairman of the municipal CPPCC Committee, and Comrades Zhang Yichun, Lu Daopei, Zhou Pan (female), Fei Lulu (female), Tao Huimin (female), and Zhang Zhixue (female) Standing Committee members of the municipal CPPCC Committee.

The session examined and endorsed the "Political Resolution of the Fourth Session of the Sixth Beijing Municipal CPPCC Committee" and the "Resolution on the Standing Committee Work Report of the Fourth Session of the Sixth Beijing Municipal CPPCC Committee."

During the session, the CPPCC members attended the Fifth Session of the Eighth Beijing Municipal People's Congress as observers, and listened to the report by Mayor Chen Xitong on the Seventh 5-Year Plan, as well as other pertinent reports.

In his speech, Comrade Li Ximing said: During the past year, the municipal CPPCC Committee has organized all its members to do a great deal of fruitful work, do many solid jobs, and make new contributions to building the two civilizations of Beijing. We can say that the CPPCC work has become ever more flexible, its road has become ever wider, its role has become ever greater, and its achievements have become ever more remarkable.

This session was very successful. The major indicators are as follows: First, the CPPCC members have conducted conscientious and careful discussions on Mayor Chen Xitong's report on Beijing's Seventh 5-Year Plan, and have offered many constructive suggestions and opinions. Instead of discussing in generalities, the CPPCC members have discussed and explored the report in a rigorous manner, with sound judgment, and with scientific appraisals. In this aspect, the members have played their role as an "intellectual reserve." Second, the CPPCC members have set forth quite a few criticisms and opinions with regard to the party and government leading organs and leading cadres in light of the attitude of setting strict demands and seeking truth from facts. Some of these criticisms and opinions are relatively incisive and pertinent. I hereby express my thanks on behalf of the municipal CPC Committee and the municipal people's government. It is an extremely good situation that there are so many comrades who speak their mind freely and open-heartedly, and express their criticisms and opinions without mincing words. This shows that the relationship between the party and various democratic parties has become increasingly close. Third, the CPPCC members have spoken out concerning their discontent with the present situation, and called on the municipal CPC Committee, the municipal people's government, and building departments at all levels to provide them with more opportunities to obtain information and render services, and to create the conditions for offering advice for the four modernizations and the unification of China. Their will and demands in this aspect are also very valuable.

To further strengthen and exploit the function of the CPPCC organizations, party and government leaders at all levels in the municipality should do still more work and render support to the CPPCC work in various fields. First of all, party and government leading organs at all levels should continually enhance their understanding of the importance of united front and CPPCC work. This work should begin with the municipal CPC Committee. The municipal CPC Committee should conscientiously find out how to make full use of the favorable conditions of the municipality to create a new sphere and a new situation in united front work. In terms of CPPCC work, we should make full use of the favorable situation of extensive contacts between CPPCC members and overseas figures to vigorously strenthen the liaison work directed overseas and to promote the development of the unification of China, in addition to continually grasping the building of the two civilizations. Second, the municipal CPC Committee and the municipal people government should create conditions for the CPPCC members to gain information and offer services so that all democratic parties and mass groups can display their abilities and talents. Third, we should vigorously publicize the united front principles and policies for the new period, and the important position and role of the CPPCC. CPC committees, CPPCC committees, and united front work departments at all levels should attent to this work conscientiously and frequently. At the same time, we should continue to grasp the implementation of various policies, and solve various dangling problems thoroughly in line with the demand of the central authorities.

Lu Zongda, vice chairman of the municipal CPPCC Committee, delivered a closing speech. He said: This session is a democratic and united session which enhanced the morale of the masses. This session has conspicuously manifested the functions of political consultation and democratic supervision, and has specifically indicated the consolidation and development of the Beijing municipal patriotic and united fronts. During the Seventh 5-Year Plan period, we should exert ourselves in conscientious study, reinforce our confidence, further exploit the role of the CPPCC comprehensive talent reserve, better serve the four modernizations, and struggle for the revitalization and unification of China by having our feet firmly planted at home and keeping our sights trained on overseas matters.

Among the leading comrades of the municipal CPC Committee, the municipal Advisory Commission, the municipal People's Congress Standing Committee, the municipal people's government, the municipal democratic parties, and the municipal CPPCC Committee, who were seated on the rostrum, were Jin Jian, Ye Zilong, Ma .Yaoji, Hou Jingru, Pu Jiexiu, Chen Mingshao, Sun Fuling, Feng Mingwei, Zhang Mingyi, Chen Zhongyi, Guan Shixiong, Li Bokang, Su Congzhou, Deng Jixing, Xia Xiang, Zhang Guangdou, Wu Baosan, Ding Gongnan, Kan Guanqing, Gan Ying, Li Tianshou, Guo Buyue, and Lin Tong, Also attending the session were Lei Jieqiong, vice chairman of the National CPPCC Committee, and Sha Li, deputy secretary general of the National CPPCC Committee.

SHANXI: LI LIGONG VIEWS MILITARY LEADERSHIP GROUPS

HK240357 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 23 May 86

[Excerpts] Li Ligong, secretary of the provincial CPC Committee and first secretary of the CPC Committee of Shanxi Military District, spoke at an enlarged meeting of the Military District on 21 May, putting forward two hopes regarding the new leadership groups of the military subdistricts and People's Armed Forces departments throughout the province: They must grasp building leadership groups well, and also do a good job in militia work.

He said: The key to successful work lies in the leadership groups. They must particularly stress democratic work style and the strengthening of party spirit and discipline. They must give play to democracy and put the party's political life on a sound basis. The leadership groups must embrace the idea that leadership is service and regularly go to grass-roots levels to solve problems.

He said: Following the transfer of the People's Armed Forces departments to the local authorities, militia work must still be grasped by the provincial military district, the military subdistricts, and the People's Armed Forced departments. The work must be done well under the leadership of the local CPC committees and government. We must clearly understand that the main task of the military subdistricts and People's Armed Forces departments is, as before, to grasp militia work.

TIANJIN COMPLETES TRANSFER OF MILITIA TO LOCAL UNITS

SK280200 Tianjin TIANJIN RIBAO in Chinese 11 May 86 p 1

[Text] On the morning of May 10, the municipal CPC Committee, the municipal people's government, and the municipal garrison district jointly held a meeting on transferring the People's Armed Forces departments to local governments. At the meeting, Lu Xuezheng, vice mayor of the municipality, and He Yanran, deputy commander of the municipal garrison district, signed the papers of transfer work. As of now, the municipality has successfully fulfilled the task of transferring the People's Armed Forces departments of 18 districts and counties to local governments.

Attending the meeting were Li Ruihuan, deputy secretary of the municipal CPC Committee and mayor of the municipality; Wu Zhen, deputy secretary of the municipal garrison district; and Lan Baojing, political commissar of the municipal garrison district. Huang Yunquiao, chief of staff of the headquarters of the Beijing Military Region, attended the meeting and delivered a speech.

At the meeting, Mayor Li Ruihuan, on behalf of the municipal CPC Committee and people's government, extended warm welcome to the cadres, fighters, staff members and workers, and dependents of the People's Armed Forces departments. He emphatically stated: The nature of the work of the departments transferred to local governments will remain unchanged. The party committees and governments at the district-county level should strengthen their leadership over the work undertaken by the departments, place the work as an important item on the schedule, regard the work of militia and reserve services as an important task, and grasp the work in a down-to-earth manner. He also urged the comrades of the departments to adapt to the needs of the new situation, to study the experience gained by local units, and to conduct research on economic construction in order to meet the reality of local work. Efforts should be made to promote the development of the relationship between the PLA units and the local governments to a higher level and to improve the work of the PLA units, local units, and militiamen to a new standard.

At the meeting, Commander Zheng Guozhong also delivered a speech in which he raised expectations for comrades in the People's Armed Forces departments, saying that, following the transfer work, comrades in the departments should consciously abide by the leadership of the local party committees and governments and score new achievements in building the strength of national defense and reserve services.

PRESERVING CO-EXISTENCE OF TWO SOCIAL, ECONOMIC SYSTEMS EXAMINED

HK301157 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 May 86 p 5

["Answers to Questions From Taiwan Compatriots" column: "How Can It Be Proved That the Mainland Does Not Want To Appropriate Taiwan? Why Is the Preservation of Two Kinds of Social Systems Permitted?"]

[Excerpt] The mainland does not want to appropriate Taiwan. This has been tested and verified by the policy and implementation of peaceful reunification of the motherland, by a series of remarks made by many senior leaders on the mainland, and by what the CPC has done.

The mainland's policy toward Taiwan is peaceful reunification and not solution by force. After peaceful reunification, "Taiwan will be allowed to become a special administrative region." The existing social and economic systems will remain unchanged and the way of life will remain unchanged. Taiwan's economic and cultural relations with foreign countries will also remain unchanged. It will be guaranteed that the proprietary rights to private property, houses, land, and enterprises, the legal inheritance right, and foreign investment will not be violated. This shows clearly that the mainland does not want to be unified with Taiwan by means of socialism and to "gobble" it up. Of course, Taiwan cannot be unified with the mainland by means of the "three principles of the people" either.

Senior leaders on the mainland have on many occasions proposed to hold talks between the two parties on a reciprocal basis and have expressed that the views of people from all walks of life in Taiwan will be extensively solicited at an appropriate time. They have also explicitly pointed out that after the reunification of the motherland, leaders from all walks of life in Taiwan will be invited to participate in the central government's leading work on the mainland. Deng Xiaoping told Yang Liyu in June 1983 that the CPC can not take over the KMT nor can the KMT take over the CPC. Deng Xiaoping told U.S. President Reagan on 28 April 1984 in Beijing that China can realise peaceful reunification. The mainland has put forward an envisaged view: Taiwan will be allowed to maintain its Army. Therefore, there is no way of saying that the mainland wants to "gobble up" Taiwan.

The mainland has no plan of "gobble up" Taiwan. The strategic purpose of the Army on the mainland is to defend the country and to defend modernization. All training on preparations against war is carried out with this central purpose. Of course, this does not mean that the mainland is not capable of imposing a military blockade against Taiwan. However, we will impose such a blockade only if we have no alternative. For the same reason, the CPC is not committed to not using force under any circumstances. The object in mind is to promote the country's peaceful reunification.

It is also very easy to understand why two different social systems are allowed to exist. China has a population of 1 billion. It has a superior socialist system and is under the leadership of a mature political party, the CPC. It is confident in its future. The two systems are allowed to coexist over a long period so that they may support each other to attain co-prosperity in conformity with the fundamental interest of the nation and the country.

Many people in Taiwan hope that after reunification, they can maintain the present ways of life, social and economic systems, and living standard. The mainland has agreed that this will not affect the socialist system and modernization on the mainland.

REPORTS, COMMENTS ON TRAWLER INCIDENT WITH ARGENTINA

Trade Official Interviewed

OW301325 Taipei Domestic Service in Mandarin 2300 GMT 29 May 86

[Excerpts] According to a report by our Taipei station reporter who placed an international telephone call to Buenos Aries, crew members of the trawler "Hsien Teh 3" arrived in Puerto Deseado in southern Argentina at 0600, Taipei time, today. It has been confirmed that the dead crew member was (?Hong Tien-lan) and crew member (?Yen Jen-feng) is missing. In addition, six crew members were slightly wounded.

An Argentine naval gunboat attacked the Chinese fishing boat "Hsien Teh 3" on the high seas near the Falklands, setting the boat aflame and leaving one crew member dead and three others wounded. The Republic of China's [ROC] trade mission in Argentina is actively negotiating with the Argentine authorities for the release of the rest of the crew members. The representative of the ROC trade mission and the representative of the trawler "Hsien Teh 3" have gone to the port in southern Argentina to make contact with the Argentine naval authorities.

Britain has strongly condemned the attack on the trawler and considers this attack as unjustified and overreaction.

The following is a report filed by our station reporter. Hsu Ping, representative of the ROC trade mission in Argentina, was interviewed via international telephone system by our station reporter early this morning at 0600 Taipei time. Hsu said that the staff members of the trade mission and the representative of the trawler "Hsien Teh 3" were negotiating with the Argentine Foreign Ministry. The Argentine Foreign Ministry has said that it will make things convenient for us for humanitarian reasons and take care of the detained crew members. Accompanied by (Li Ching-fu), a staff member of our trade mission, the representative of the trawler "Hsien Teh 3" called on the director of the Argentine Naval Prefectural Justice Department The negotiations are going on right now.

[Reporter] Has the namelist of the dead and wounded crew members been announced yet?

[Hsu] The namelist has not been announced yet because the boat has not arrived.

[Reporter] When is the boat expected to arrive?

[Hsu] Perhaps early tomorrow.

[Reporter] What king of judicial procedures are we talking about?

[Hsu] An official of the Argentine Foreign Ministry said privately that we should hire a lawyer as soon as possible to handle this case.

[Reporter] Did the attack take place on the high seas, Argentine territorial waters, or the maritime zone of economic resources?

[Hsu] According to the communique issued by the Argentine Naval Prefecture, the incident occurred within the 200-mile limit from the Argentine coast.

[Reporter] Have you asked the Argentine Foreign Ministry why the use of force was necessary to deal with our trawler?

[Hsu] I have already expressed my view to a department head of the Argentine Foreign Ministry that the use of force in this incident was unjustified. He replied that this case is now under investigation. [end recording]

J.Y. Chiu, spokesman of the ROC Foreign Minitry, has also emphatically pointed out: The ROC Foreign Ministry is extremely concerned over the attack on our trawler by the Argentine gunboat. As of now, it has already instructed the ROC trade mission to conduct negotiations and handle this case as soon as possible and to give top priority to taking care of the detained crew members.

He said: We have asked representative Hsu to try to have all the crew members released as quickly as possible.

Foreign Ministry Statement

OW301035 Taipei CNA in English 1018 GMT 30 May 86

[Text] Taipei, May 30 (CNA) -- The Ministry of Foreign Affairs Friday condemned Argentina's sinking of an ROC [Republic of China] squid trawler which caused death of one fisherman in international waters near the Falkland Islands Wednesday. The ministry demanded that the Argentine Government work out a satisfactory solution to the problem in accordance with international law and practices.

Cheyne J. Y. Chiu, spokesman for the ministry, said in a press statement that the ROC Government condemns the Argentine attack on an unarmed fishing boat which had led to the tragic loss of life and the sinking of the vessel.

Chiu said at a regular press conference held at the Government Information Office that his ministry has ordered Hsu Ping, chief of the ROC trade mission in Buenos Aries, to contact the Argentine Government for more details about the incident in which an Argentine naval gunboat destroyed a Kaohsiung-based trawler and killed one crew member and seriously injured three others on board. Chiu said that Hsu will also negotiate with Argentine authorities on the release of the remaining 19 fishermen crew who are now being detained at Puerto Deseado, a port city some 2,300 kilometers south of Buenos Aires.

On the British statement condemning the Argentine use of force on the high seas against the ROC fishing vessel, Chiu said that Britain did so largely to protest an Argentine attempt to pursue a sovereignty claim to waters around the Falkland Islands. Britain and Argentina fought a war over the sovereignty of the island four years ago. Chiu said that the ROC would remain neutral over the issue.

Nevertheless, Chiu deplored the Argentine attack on the unarmed ROC vessel. "All civilized nations would condemn such an unjustified and excessive action," he stressed. Chiu further said that the government would not seek a third party to help solve the problem at the moment because there are accessible communication channels between this country and Argentina.

UK: Trawler in International Waters

OW310331 Taipei CNA in English 0251 GMT 31 May 86

[Text] Kaohsiung, Southen Taiwan, May 30 (CNA) -- Hsu Pin, ROC [Republic of China] trade representative in Buenos Aires, Argentina, has agreed to handle the fishing boat, Chiann Der No. 3 [name as received] incident on behalf of the Kaohsiung area fishermen's association and the owner of the boat, Tsai Ting-pang, president of the association, said Friday. He made the authorization when inquiring about the condition of the 22 apprehended Chiann Der crew members in a telephone conversation with Hsu Friday. Hsu told Tsai that Argentine Foreign Ministry officials suggested that lawyers be hired to handle the case. Tsai added that the government and Hsu will try their best to bring the apprehended crew and the body of the crewman killed in the attack back home as soon as possible and seek compensations from the Argentine Government.

Meanwhile, Lei Chu-kang, ROC fishery representative in the Falkland Islands, said in a cable report to the Kaohsiung area fishermen's association Friday that the British governor of the Falkland Islands expressed his willingness Thursday to certify that Chiann Der was in international waters when it was attacked by an Argentine gunboat May 28. He added that the British governor has also agreed to allow ROC fishing boats to seek refuge in waters within 150 nautical miles off the Falklands but advised the boats not to operate when seeking refuge so as to avoid unnecessary misunderstanding.

Argentina Regrets Sinking of Ship

OW311543 Beijing XINHUA in English 1509 GMT 31 May 86

[Text] Buenos Aires, May 30 (XINHUA) -- The Argentine Government has expressed regret over the death of at least one Taiwan fisherman on Wednesday when an Argentine Coast Guard cutter sank a Taiwan vessel fishing near the Malvinas Islands. A statement issued by the Argentine Foreign Ministry yesterday said the Argentine Govenment regretted the unexpected casualty. In Wednesday's incident, one fisherman was killed and another was missing but the rest of the 22 crewmen were picked up by the Argentines on the cutter.

Economic Sanctions Not Yet Considered

OW020301 Taipei CNA in English 0244 GMT 2 Jun 86

[Text] Taipei, May 31 (CNA) -- The government of the Republic of China [ROC] has not yet considered to take economic sanctions against Argentina in retaliation of that South American nation's attack of unarmed ROC trawlers May 28, Vice Economics Minister Li Mo said Saturday.

Some people have suggested that the ROC reduce its imports from Argentina to retaliate for the Argentine gunboat's barbarous attack of ROC fishing vessel "Chiann Der No. 3" [as received], which caused one dead, one missing and six others injured, should no reasonable solution to the incident is provided by that country.

Li said his ministry has not yet considered taking any trade retaliatory actions against Argentina because the incident is still pending.

According to government statistics, the Republic of China suffered a U.S. dlrs 20 million deficit in its trade with Argentina in 1985. Major categories of products the ROC imports from Argentina are been, mutton and leather which can easily be bought from other countries.

Commentary Condemns Attack

OW010416 Taipei Domestic Service in Mandarin 2300 GMT 30 May 86

[Station commentary]

[Text] In the early morning of 29 May, two of our trawlers were attacked by an Argentine naval gunboat as they fished in international waters in the South Atlantic Ocean. One of the trawlers was sunk and another one damaged. The trawler set aflame and sunk was Hsien Teh No 3. Its 22 crew members, 6 of them slightly wounded, were rescued by the Argentine gunboat. It was reported that one crew member died of a heart attack and another one was missing.

When news of this incident was broadcast, the country was angered by Argentina's attack on an unarmed fishing boat on the high seas. They regarded this incident as an out-and-out atrocity and an irrational act of piracy. According to a telegram received by our fishermen's association, five trawlers were fishing in that area when the incident occurred. The Argentine gunboat fired at trawler Chi Fu No 6 first, but fortunately it was not seriously damaged.

At that time, our fishing boats were at least 228 nautical miles from the Argentine coast -- far over the 200 nautical mile limit. The Argentine gunboat was determined to take the trawler Hsien Teh No 3 to an Argentine port. However, the captain of the trawler believed that the gunboat had no authority over a ROC fishing boat in international waters. While he was arguing strongly on just grounds, the Argentine gunboat began firing, thus causing this tragedy.

The Argentine Navy claimed that our trawler Hsien Teh No 3 was fishing 175 nautical miles off the Falkland Islands; that it was within the 200 nautical mile limit of Argentina's maritime economic zone; and that the Falkland Islands are Argentine territory. As a mater of fct, Britain has already exercised its sovereignty over the Falkland Islands. Argentina sent troops to occupy the Falkland Islands in 1982, evoking the world famous war of the Falkland Islands. Later, Britain's strong naval and air forces had wiped out the main forces of the Argentine occupation Army, while the remaining Argentine forces surrendered. The Argentine president and commanding general of the Argentine Armed Forces who ignited the war were tried by the present administration. and they were given a scathing sentence.

Everyone knows that Argentina is basically unable to exercise sovereignty over the Falkland Islands. Through our trade office, our fishing boats have reached an agreement with Britain. Our fishing boats, as well as those of other countries, may enter the zone within 150 nautical miles of the Falkland Islands for fishing. However, Britain permits no Argentine aircraft to fly over the zone. Therefore, is it not a big joke that under such conditions, Argentina ventures to claim that it enjoys sovereignty over the Falkland Islands and that it has a the right to fire at unarmed fishing boats?

It is also ridiculous that when a British helicopter and naval vessel and our own fishing boats suggested that, first of all, available medical facilities and medical personnel be used to treat the wounded crew memberts of the trawler Hsien Teh No 3, their suggestion was rejected by the Argentine side. All of this runs counter to the humanitarian principles, and fully reflects the atrocious nature of the Argentine Navy. After the incident, the Argentine Foreign Ministry expressed regret over this. However, the Argentine military authorities still ignored facts, and insisted on saying our fishing boats had intruded into Argentina's maritime economic zone.

The British Ministry of Foreign Affairs was the first to strongly condemn Argentina's attack on an unarmed fishing boat. We believe all the nations that uphold justice and human rights will condemn Argentina's atrocity. The ROC Foreign Ministry had already instructed the ROC trade representative in Argentina to actively negotiate with Argentina for the release of the detained crew members, to seek compensation from the Argentine Government, and to ask the Argentine Government to openly apologize for this incident.

Yesterday, the ROC Foreign Ministry issued a statement to condemn Argentina's atrocity. It is hoped that with the support of world public opinion and the will of all the people in our country, our trade representative in Argentina will try his best to negotiate with the Argentine Government to work out a satisfactory solution to the problem in accordance with international law and practices.

Argentina 'Violated' International Law

OW310351 Taipei CNA in English 0230 GMT 31 May 86

[Text] Taipei, May 30 (CNA) -- Two leading newspapers in Taipei condemned Argentina Friday for attacking two fishing boats of the Republic of China [ROC] in the South Atlantic. They asserted the action violated international law and practices and characterized the deed as "inhuman."

The CENTRAL DAILY NEWS and TAIWAN SHIN SHENG DAILY NEWS unanimously invited the attention of world mass media to the "barbarous and inhuman" action employed by Argentina in which one of the two unarmed ROC trawlers sank after being hit by an Argentine gunboat in international waters off the Falkland Islands. The Falklands, occupied by Great Britain, are claimed by Argentina, which calls them Las Malvinas.

The CENTRAL DAILY NEWS, in an editorial Friday, also urged ROC's fishing boat operators to familiarize themselves with foreign fishing regulations and be extra careful while operating in "disputed wates" like those near the Falklands.

The editorial said the Republic of China's fish catch has been growing by leaps and bounds during the past decade. In 1985, the fish catch of this nation exceeded 1 million metric tons with 40 percent of the total garnered by ocean-going fishing boats. With rising world protectionism inspiring more and more limitations of fishing activities, the editorial said, ROC fishing boats operating overseas have encountered increasing numbers of troubles and difficulties. According to statistics compiled by the government, 28 Taiwanese fishing boats and 161 crewmen are currently being held by foreign governments.

The TAIWAN SHIN SHENG DAILY NEWS said in its editorial that Argentina and Britain have had continued confrontation over sovereignty on waters in the South Atlantic since the Falklands war four years ago. It urged fishing boats from Taiwan to stay away, if possible, from the disputed waters so as to prevent further loss of lives and vessels in the future.

PRC 'TAIWAN AFFAIRS OFFICE' NEW COMMUNIST TRICK

OW310343 Taipei CNA in English 0259 GMT 31 May 86

[Text] Taipei, May 30 (CNA) -- The Peiping regime's setup of the so-called "Taiwan Affairs Office" is a new trick, in their bag of united front tactics following propagandistic lines similar to their "Hong Kong model" and the "one nation, two systems," spokesman for the Ministry of Foreign Affairs Cheyne J.Y. Chiu said Friday.

Establishment of the new office is Peiping's vicious new plot in their attempt to isolate this nation by trying to win international support through diplomatic channels, Chiu pointed out, replying to questions at a news conference. He called on all free countries in the world to recognize the evil nature of the Chinese Communists to avoid being fooled.

To expand their united front plots against this national bastion, the Peiping authorities have set up several organizations such as the "Taiwan Trade Office," the "Taiwan Missions Office," and the "Overseas Chinese Affairs Office," he noted. Chiu said the Chinese Communists' forming of the "Taiwan Affairs Office," after their "Hong Kong and Macao Affairs Office" in April last year, clearly demonstrated their ambition to take over this country through intensive united front tactics.

OPPOSITION EDITOR ARRESTED FOR TRIAL ABSENCES

HK021021 Hong Kong AFP in English 1016 GMT 2 Jun 86

[Names as received]

[Text] Taipei, June 2 (AFP) -- Authorities Monday arrested the editor-in-chief of an opposition magazine for failing to report to court as the defendant in an election suit, a court official said. Cheng Nan-jung, editor of the SHIH TAI (TIME) monthly magazine and one of the organizers of a demonstration last month against martial law, was taken into custody for three times defying a court's orders to attend his own hearings.

The 39-year-old editor and the magazine's former publisher, Wang Cheng-huei, were sued in November 1984 by Chang Teh-ming, an opposition politician who said the magazine had made a malicious personal attack on him during an election campaign with the intention of driving him out of the race, the official said. Mr Chang eventually won a seat in the 53-member city council in the elections that November. The charge against the two carries a prison term of from one to five years.

The magazine's staff said Monday's arrest was prompted by the May 19 demonstration that Mr Cheng had helped organize. "Otherwise why would the former publisher in the same case escape arrest?" staff member Lin Chien-yi said. Demonstrations are not allowed under the 38-year-old martial law. Some 200 people participated in the demonstration at a local temple, with 1,200 police mobilized to guard the area and stop them from marching to the presidential office.

CHENG MING ANALYZES POSTPONEMENT OF DENG XIAOPING RETIREMENT

HK020627 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 10

["Word From the Capital" by special correspondent Chang Chuan: "Deng Xiaoping Postpones His Retirement"]

[Text] Will Deng Xiaoping retire? When? This is a question of concern to many people. It is strange that even Deng Xiaoping himself could not give a sound reply to the question in the past few months.

Do Less Work

At a meeting of the Central Advisory Commission, Deng Xiaoping expressed his utmost confidence in Hu Yaobang and Zhao Ziyang, but said that he had some work to do. Here are his very words: "My present work method is to work as little as possible. This has the following advantages: One is that I can live for some more years; the other is that when I do less work, they can do more and even better work. It must be said that these comrades are full of vigor and they can do better than I. I hope I will gradually disengage myself completely from day to day work and that I will be in good health, and thereby I will complete my mission. However, it seems that I still have to do some work at present."

He Changes What He Has Said

Not long ago, it seemed that Deng Xiaoping seldom changed what he had said. He talked about his retirement in public. Since then, rumors have been spread in Beijing that he would retire after the party's national congress to be convened in September 1987.

Nevertheless, it has recently been reported that at a meeting of the Political Bureau Standing Committee, he said that he had to continue doing some work because he worried that here might be some trouble.

Afterwards, Hu Qili revealed this to friends from Japan, saying that Deng Xiaoping would not tender his resignation from his primary posts at the party's national congress to be held in September 1987.

Three Major Troubles

At present there are three problems for the reformists in the CPC leadership. First is reform of the economic structure, which the CPC has decided to extend to other aspects after summing up experiences. Second is rectification of the party's work style and the question of dealing with crimes committed by some "children of senior officials." Third is how to cope with the interference of conservatives.

Did Deng Xiaoping decide to postpone his retirement because of these three major problems?

This Hu Does Not Offend That Hu

At present Hu Qiaomu and Deng Liqun are the most active big shots among the conservatives. It would seem that if the two veteran Marxists are controlled, everything will go off without a hitch. However, the problem is not that simple. In the Political Bureau and the Secretariat of the CPC Central Committee, aside from those who "are on equal footing with" Deng Xiaoping and are now propping up Hu Qiaomu and Deng Liqun, there are also some people who are inclined toward Deng Xiaoping but also respect Hu Qiaomu unboundedly. There are even some people who relatively highly value Hu Qiaomu. For this reason, Hu Yaobang and others seldom offend him in the Political Bureau.

Another Important Official Among the Conservatives

Except for Chen Yun and Hu Qiaomu, people do not greatly favor Deng Liqun, an important official among the conservatives.

At a meeting of the Secretariat of the CPC Central Committee, Hu Yaobang proposed that old cadres take charge of work as little as possible and let younger ones take more responsibility. For example, Deng Liqun, he said, could withdraw from the policy research center. Deng Liqun asked whether he had to withdraw from the five-four-three committee too. Some people were unable to comprehend what he had said. After a while, they came to realize that he referred to the Central Five Stresses-Four Beauties-Three Loves Committee. Wan Li chipped in and said that the committee was not needed at all.

Relying on Chen Yun and Hu Qiaomu, Deng Liqun takes a firm grip on the "remnants of power" in his hand and makes use of the power to the utmost. As a result he has been stirring up a lot of trouble for Deng Xiaoping and Hu Yaobang.

Shortcomings in the Political Structure

Precisely due to the strength and capacity of the conservatives, Deng Xiaoping will not retire now. Otherwise, reform will encounter more obstacles. Over the past few years, many problems have cropped up in executing the reform, but Deng Xiaoping anticipated these developments. That is why he said that it is not time for him to withdraw from the political arena.

What does this show? It shows that problems result from the combination of the CPC political structure with traditional feudalism.

YAO YILIN QUERIED ON SEZ FOREIGN EXCHANGE CERTIFICATES

HK290902 Hong Kong WEN WEI PO in Chinese 29 May 86 p 1

[Report by special reporter Tseng Min-chih from Vancouver: "Yao Yilin Says That the Central Authorities Have Decided To Stop Using Foreign Exchange Certificates and To Hold a Meeting To Work Out a Plan for This Next Month"]

[Text] Vice Premier Yao Yilin granted an exclusive interview to this WEN WEI PO reporter in Vancouver on 27 May. He told me that the central authorities had decided to stop using foreign exchange certficates, and would hold a meeting to discuss and plan this matter in June. A formal announcement will then be made.

It was after attending the flag-raising ceremony on China Day at the Expo '86 in Vancouver that Vice Premier Yao received me. When asked about the planned issuance of a special economic zone currency in Shenzhen, he smiled and said that the plan to issue such special currency has been abondoned. Mr Gian Jiaqu most strongly opposed this plan, and now he does not mention this matter. Then I reminded him that WEN WEI PO Director Li Tsu-sung also pointed out that "more currencies will give rise to more disadvantages." Yao said: I remember this. We are very prudent in dealing with the matter of issuing currency.

Then I asked him about his achievements on his current trip to the United States. He said: I have signed four agreements. Both sides have strengthened mutual understanding. All this is conducive to the future development of Sino-U.S. trade. When talking about the protectionist trend in the Unted States, Yao Yilin said with a smile: To put it bluntly, protectionism is a matter of votes. It does affect China's foreign trade, but we have worked out our countermeasures.

I brought up an old case -- his remarks about the "blood transfusion" to the Shenzhen Special Economic Zone. Yao Yilin said emphatically: "Blood transfusion" is not a matter merely concerning the Shenzhen Speical Economic Zone, but is a matter concerning the economies of all our open cities. The state must handle things in light of its capacity and cannot use some 1 billion yuan to build a small city, although it will grow up gradually and will affect the overall situation. If the special economic zone turns its economy into an outwardly oriented pattern, then its prospects will be bright and broad. But it will take 3 to 5 years to achieve this goal. He did not think that the special economic zone had deviated from the course defined by the central authorities. However, he said that the special economic zone did take some detours.

Finally, I asked him about his opinion on Hong Kong's economic prospects. Yao Yilin said: Hong Kong is an international commercial coneter and trade center. It has great potential for development. If Hong Kong cooperates with the mainland, its prospects willbe broad and bright. Hong Kong can seek reliable support from its relations with the mainland.

PRC AUTHOR DENG YOUMEI DISCUSSES CREATIVE FREEDOM IN LITERATURE

HK291414 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1423 GMT 28 May 86

[Report: "Deng Youmei Says: Free Discussion Has Now Become Common Practice in the Mainland's Literature Circles" --ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 28 May (ZHONGGUO TONGXUN SHE) -- In his stopover in Hong Kong on his way home from the United States, famous Chinese writer Deng Youmei today told this ZHONGGWO TONGXUN SHE reporter that "an atmosphere of free discussion has finally appeared in the mainland's literature circles."

Deng Youmei was labelled a "rightist" during the "anti-rightist movement" in 1957 and tasted bitterness of life to the fullest during the 10-year catastrophe in China. After being forced to stop writing for 22 years, he rose again in China's literary sphere with his unadorned style and consummate writing technique. When talking about the present situation in China's literature circles, he mentioned some sensitive issues: "Recently, people overseas have been very concerned with Chen Yong's critical article against Liu Zaifu and are questioning if this forebodes the coming of another storm in the literature and art field. Such worries are understandable, because they are left over from historical experience. In the past, the political democratic life in China was not normal, and the atmosphere in the literature and art field was alternately tense and relaxed, with troubles appearing again and again. This has made people too sensitive and apt to misunderstand normal things. It is not easy to change people's impressions in a short time.

"But I hope people overseas will also notice another sign: If HONGQI magazine published a critical article 20 years ago, all other newspapers and journals throughout the country would also reprint this article and publish articles echoing similar viewpoints and joining the criticism campaign. The writers' organizations would also hold meetings to discuss and study the HONGQI article which criticized their colleagues. However, such phenomenon did not appear in the recent case, and no 'label' was attached to Liu Zaifu. Liu's work was not affected either."

This reporter asked: "Does Cheng Yong's speech represent a force behind the scene?" Deng Youmei answered seriously: "Liu Zaifu used some literary viewpoints to study literature and broke through the previous practice of using sociological viewpoints to study literature. He has done a very important job and has brought a fresh atmosphere to China's literature. Cheng Yong is also a serious scholar and a good man. In my view, Liu Zaifu has creative freedom and Chen Yong also has the freedom to criticize, and there is no political hand from the power structure behind them. So their arguments are merely a dispute between two thought patterns. No conclusion has been reached in this dispute, and no person has to follow the viewpoint of the other. Through free discussions, a correct viewpoint will be found. This shows that creative freedom has finally been realized in the mainland's literature field."

Mr Deng pointed out: China's economy lags behind other advanced countries, but China's literature is not backward. We can say that China'a literature ranks among the advanced literatures of the world. The problem is that China did not do a good job in introducing its good literary works to the world. In particular, our literature translation work is rather weak. There are too many difficulties in translating Chinese into English, and there are too few competent translators who can translate Chinese literary works into English.

When talking about his feelings concerning the third dialogue between Chinese and American writers, Deng Youmei said: China is now rather interested in America's modern literature, and China commmands a good knowledge in this field; however, the American side does not have a good knowledge of China's modern literature. It is necessary to strengthen the work of introducing more outstanding Chinese works to American readers to satisfy the needs of Americans of Chinese origin and American literature lovers.

Deng Youmei said: In any country, readers always like to enjoy a variety of literary works. Pure literature represents the culture and spirit of a nation and its market will never shrink.

COMMENTARY ON SAFETY OF DAYA BAY NUCLEAR PLANT

HK270551 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0945 GMT 25 May 86

[Commentary by Hao Si: "The Safety of the Daya Bay Nuclear Power Plant"]

[Text] Hong Kong, 26 May (ZHONGGUO TONGXUN SHE) -- The disastrous accident of the Soviet Chernobyl nuclear power plant has roused fairly great concern among Hong Kong residents. This is not only becaue of their worry about the fallout of radioactive dust, but is primarily because of the plan to build a nuclear power plant at Daya Bay not far from Hong Kong. Naturally, Hong Kong residents are concerned about the safety of the Daya Bay nuclear power plant.

Using nuclear power to generate electricity has already been proved to be an advanced method of electricity production that is relatively safe and reliable as well as economical. This method has been adopted by increasingly more countries. However, once an accident occurs in a nuclear power station, it will often cause tremendous harm to the human race. Therefore, we should neither oppose the construction of a nuclear power plant because of possible accidents nor fail to pay close attention to safety of our nuclear plants. The person in charge of the project of Daya Bay nuclear island, Chinese nuclear specialists and some Hong Kong physicists have all given full explanations, pointing out that the nuclear reactor in the Daya Bay nuclear power station will be entirely different in type from those in the Soviet nuclear power plant where the accident occurred. The safety facilities of the former are much better. In the 20-odd years since this type of reactor began operation, only one major accident has occurred, the accident at Three Mile Island in the United States. But the consequence of this accident was far less serious than that of the accident in the Soviet nuclear power plant.

Of course, no one dares to provide a 100 percent guarantee for the total exclusion of accidents. The problem is how we are to prevent accidents and how we are to reduce the harm caused by an accident to the minimum once it occurs. Generally speaking, this is determined by the following two aspects: 1) the safety facilities of the nuclear plant; and 2) the perfecting of the management system, in particular 14 safety management systems.

According to its design requirements, the safety facilities of the Daya Bay nuclear power plant, including the safety shell, the fuel enclosure, and the pressure boundary, are relatively perfect. In addition, there are the facilities that can stop the nuclear reaction in an emergency. Since the Three Mile Island incident, France has substituted leader safety valves for spring safety valves which were the main cause of the accident. By so doing, it has made the nuclear plants even safer and more reliable. At present, the task of first priority is to ensure the quality of construction and to be sure to make the quality of the construction entirely meets the design requirements. When Vice Premier Li Peng inspected the construction site at Daya Bay the other day, he said that during the construction of the nuclear power plant, we had to establish an integrated and scientific quality control system, and that we had to ensure the progress of the construction under the precondition of ensuring its quality and we had to ensure the quality even at the expense of the progress of the construction.

The quality of the personnel affects the quality of the management system. Relatively high professional knowledge and knowhow are necessary in managing a nuclear power plant. In addition, the workers in the plant must do their work conscientiously and meticulously with a lofty sense of responsibility. A small mistake may cause consequences too dreadful to contemplate. Therefore, establishing a well-trained work force is a key to ensuring the safe opeation of the nuclear plant. In particular, we should pay special and close attention to the training of the operators who work on duty at the first line.

China has built its own nuclear reactor, but so far it has had no nuclear power plant; therefore, it has no experience in running nuclear power plants. China must start by training the work force and learning from the advanced experience gained from the construction and operation of all the nuclear power plants in the world. It should carry out international technological cooperation and information exchange related to the safe management of nuclear power plants.

The Chernobyl accident has roused people to pay even closer attention to the safety of nuclear power plants and to continue to improve these plants. Undoubtedly, this will continue to improve the human race's ability in using nuclear energy to generate electricity safely.

HONG KONG BASIC LAW GROUP DEBATES CONSTITUTION RELATIONSHIP

HK020345 Hong Kong SOUTH CHINA MORNING POST in English 2 Jun 86 p 1

[By Stanley Leung]

[Text] A weekend of talks failed to resolve the controversial issue of the relationship between the Chinese Constitution andd the Basic Law. The topic was discussed at a two-day meeting of the Basic Law Drafting Committee sub-group in Shenzhen which ended yesterday.

The thorny issue, which was debated in great detail during morning and afternoon sessions yesterday, sparked off a rift at the full committee meeting in Beijing in April. A number of solutions were proposed by members of the sub-group, which is to study issues relating to the future relationship between China and Hong Kong.

A co-convenor of the subgroup, Hong Kong member Dr Rayson Huang, said afterwards that members failed to reach any consensus on a solution. Another co-convenor, Chinese member Mr Shao Tianren, admitted that members had differences of opinion in trying to come up with an acceptable resolution of the issue. After the meeting, Mr Shao called on members to examine the issue in detail. He would not disclose the proposals discussed in the meeting.

A Hong Kong sub-group member, Mr Tam Yiu-chung, said many members -- including himself and some mainland members -- suggested that the National People's Congress should elaborate on Article 31 of the Chinese Constitution which covers special administrative regions.

The sub-group also failed to make any progress in resolving who should have the final right to interpret and amend the Basic Law. Two mainland members, Mr Li Hou and Mr Lu Ping, both senior officials at the Chinese State Council's Hong Kong and Macao Affairs Office, said most members agreed such rights should belong to the NCP. Mr Lu said it was suggested that a committee comprising members from China and Hong Kong should be set up under the NPC to deal with interpretation and amendment of the Basic Law.

Hong Kong members had asked about the NEW CHINA NEWS AGENCY's role after 1977, but its Hong Kong bureau chief, Mr Xu Jiatun, said it was too early to comment. He said arrangements would be made by the Chinese Government in accordance with the Basic Law. The next sub-group meeting will be in Xiamen at the end of August.

POST-1997 HONG KONG LEADER MAY NOT BE CPC MEMBER

HK020339 Hong Kong SOUTH CHINA MORNING POST in English 2 Jun 86 p 1

[Report from Shenzhen by Stanley Leung]

[Text] The top official of Hong Kong after 1997 May not have to be a member of the Chinese Communist Party. The message came yesterday from he influential director of the local branch of the NEW CHINA NEWS AGENCY, Mr Xu Jiatun. He was in Shenzhen for the second meeting of the Basic Law sub-group studying the Beijing-Hong Kong Special Administrative Region [SAR] relationship.

Mr Xu's remarks were in reference to a suggestion by some Hong Kong members during a sub-group meeting on Saturday that it would be desirable to have a SAR chief executive with an equivalent rank to a state councillor or vice-premier in the Chinese hierarchy.

The State Council, comprising heads of policy branches, is the highest state administrative organ in China. It enforces the laws and decisions of the National People's Congress and its Standing Committee.

At present, all state councillors and vice-premiers are communist party members.

Speaking to reporters after lunch with 15 sub-group members of the Basic Law Drafting Committee, Mr Xu hinted that communist party membership should not be an obstacle for Hong Kong's chief executive to be appointed a state councillor or its equivalent. But he was not specific as to whether he supported the suggestion.

Mr Xu referred to the late Madame Soong Chingling (wife of Dr Sun Yat-sen) as a case in point. Madame Soong, who died in 1981 aged 90, was not a communist party member when she was appointed China's vice-chairman in 1959. She was admitted to the party two weeks before her death.

Mr Xu confirmed that the suggestion was raised in the Saturday session. In addition, members had raised the possibility of having a state councillor who came from a capitalist society and was not a party member.

Mr Xu believed that the idea of upgrading the chief executive to the rank of state councillor -- as suggested by sub-group members -- was aimed at improving the status of Hong Kong's top official post-1997.

In Hong Kong, a senior lecturer in the Government and Public Administration Department of the Chinese University, Dr Joseph Cheng, said the suggestion of promoting the chief executive to state councillor rank was pointless. He said the chief executive would not be able to take part in the daily affairs of the State Council because of the heavy workload of the Special Administrative Region. "It's pointless if such upgrading is aimed only at promoting the chief executive's symbolic status in the Chinese bureaucracy," Dr Cheng said.

"Even heads of other cities, provinces and autonomous regions in China do not have such a high status. Why would only the SAR's chief executive be entitled to it?"

He said the links between Hong Kong and the Chinese Government could easily be reinforced by Hong Kong having representatives in Beijing as well as mainland officials being stationed here. Hong Kong's representative could also be authorised to attend meetings of the Standing Committee of the State Council to keep in touch with national affairs.

Dr Cheng said it would not be necessary for the SAR chief executive to have membership.

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NATO FOREIGN MINISTERS END SPRING SESSION

OW310204 Beijing XINHUA in English 0400 GMT 31 May 86

[Text] Washington, May 30 (XINHUA) -- NATO foreign ministers ended a spring session today with a statement supporting "the United States efforts to achieve deep reductions" in the strategic forces for the two superpowers, according to reports from Halifax, Canada. The two-day closed-door meeting reportedly focused on the SALT II Treaty issue prompted by U.S. President Ronald Reagan's recent announcement of possible retreat from the treaty, which has never been ratified by U.S. Congress.

Reagan said on Tuesday that the United States will not follow the limits on strategic nuclear weapons laid out in the pact between Washington and Moscow by the end of this year if the Soviet Union fails to take "constructive steps" toward ending alleged violations of the treaty. However, the NATO statement made no comment on Reagan's announcement although there were reports of widespread opposition from the Western allies to the U.S. plan at the NATO meeting. Reports said that none of the United States' 15 NATO partners endorsed Reagan's plan though the foreign ministers emerged from the meeting "better informed" of the U.S. position. Some NATO ministers felt that however justifiable the American position may be, "a flawed treaty is better than no treaty," NATO Secretary General Peter Carrington told a press conference at the conclusion of the meeting.

The statement called on the Soviet Union to make a "constructive response" to the U.S. arms control proposals and expressed determination "to pursue our efforts for progress in arms control and disarmament." The statment also declared that the NATO countries are "resolved" to combat terrorism which it said "poses an intolerable threat to our citizens and to conduct of normal international relations."

USSR ACCUSES U.S. OF BLOCKING EAST-WEST EXCHANGE

OW030058 Beijing XINHUA in English 0022 GMT 3 Jun 86

[Text] Moscow, Jun 2 (XINHUA) -- The Soviet Union today again accused Washington of blocking the adoption of a package of compromise proposals recommended at the 35-nation talks on freer travel between the East and West which ended in Bern, Switzerland, on May 27. Yuriy Kashlev, head of the Soviet delegation to the talks, told a news conference here that the Bern meeting had prepared compromise proposals supposed to be acceptable to all delegations. One day before the closing session, he pointed out, all the delegations, including that of the United States, had initially endorsed the recommendations. But the United States vetoed the proposals just hours before the meeting ended, Kashlev declared.

Drafted by neutral countries Austria and Switzerland, the compromise package contained limited recommendations for government action at the next Helsinki Accords review conference scheduled to begin in Vienna in November. They included easier "administrative procedures" for family reunification, East-West marriages, visits to and by elderly and ailing people, respect for the privacy of mail and telephone contacts, and more exchanges between sports, youth and religious groups.

The U.S. move, Kashlev charged, was in disregard of European interests and the needs and wishes of millions of people. Washington was reportedly isolated at the meeting as countries from both the West and East had been ready to approve one package. The six-week Bern session was the fourth of a series of meeting to promote the implementation of the 1975 Helsinki final act on European Security and Cooperation.

BAN YUE TAN ON U.S. 'GUNBOAT POLICY' TOWARD LIBYA

HK010638 Beijing BAN YUE TAN in Chinese No 9, 10 May 86 pp 54-56

[Article by Tan Ping: "The Gunboat Policy and Terrorist Activities"]

[Excerpts] After the bombing incidents at the Rome and Vienna airports late last year, the United States asserted that Libya plotted these international terrorist activities behind the scenes. Then the United States sent a large fleet to cruise and carry out war exercises on the seas close to Libya. In mid March, the U.S. Navy provoked an armed conflict and destroyed four Libyan warships and one missile base. Shortly after that, the United States asserted that Libya must be held responsible for the bombings of a discotheque in West Berlin and a TWA airliner, and redispatched the fleet back to the combat area. On 15 April, the United States staged a large-scale air strike against two cities in Libya. The United States has adopted a gunboat policy toward Libya and attacked it again and again under the pretext of punishing terrorists. The U.S. actions, which violate the norms of international relations, have been condemned by many countries in the world. Even some Western allies of the United States have indicated that they do not agree with Washington's actions for dealing with terrorism.

With the support of the United States, Israel stubbornly pursues an aggression and expansion policy, continues to be hostile to Palestine and various Arab countries, and makes the Middle East situation extremely complicated, turbulent, and capricious. This is the fundamental reason why the Middle East has become a hotbed for terrorism. In that region, extremists with various political backgrounds often take desperate actions with no scruples, trying to use terrorist means to attack Israel and its supporters. In fact, these terrorists' activites are not conducive to the just struggle of the Middle East countries at all; instead they just lose people's sympathy and put themselves in an isolated position in the international community. In the 1972 Olympic Games in Munich, a group of self-claimed Palestinian raiders killed nine Israeli athletes. This incident aroused condemnation from all over the world. Obviously, the innocent sportsmen were completely unrelated to Israel's policy of aggression, and perhaps some of them might even have opposed this policy (a lot of people in Israel are opposed to their government's aggression and expansion policy). The killing of these innocent people could not change Israel's policy of aggression; on the contrary, the terrorist activities only provided excuses for Israel to stage new aggression and expansion actions and provided proof of Israel's supporters.

This time, the United States retaliated against the terrorist activities and chose Libya as the sole target of all its slashing attacks. Obviously, the actions were taken after careful planning and consideration. Not long after Qadhdhafi came to power in 1969, he ordered that the largest U.S. military base in the Middle East inside Libya be closed down and then he severed diplomatic relations with the United States. Libya's foreign policy is among the most radical in the Middle East countries. It not only refuses to make any compromise with Israel and the United States and rejects all peace talks, but also firmly opposes other Arab countries which do so. In the past few years, the conflicts between the United States and Libya have never ceased. Relations between the two countries further worsened after an air battle over the Gulf of Sidra in 1981. Libya called for using every possible means (including terrorist means) to attack the United States. In addition, Libya has received large quantities of advanced weapons and invited many military experts from the Soviet Union in recent years. Qadhdhafi recently announced that if Libya is attacked by the United States, he will seek assistance from the Warsaw pact.

In fact, the United States so far has not demonstrated any convincing evidence to prove that Libya is directly related to the terrorist activities. By dispatching a large fleet to the seas near Libya and sending the bombers from its far-off military bases in Britain to carry out the air raid, Washington aimed at flexing its military muscles before Qadhdhafi and knocking him down so as to remove this thorn from its flesh rather than really retaliating against the terrorists.

It is noticeable that U.S. President Reagan recently announced that Syria and Iran were also related to terrorist activities, and he also threatened to attack these two countries. Libya, Syria, and Iran are precisely the three countries which most firmly adhere to the hardline uncompromising policy in the Middle East. It is obvious that the United States is adopting a gunboat policy to deal with the regimes which it does not like under the guise of fighting terrorism so as to gain what it cannot gain by using political means. As for fighting terrorism, Italian Prime Minister Craxi recently pointed out: "Military actions against terrorism will be to no avail at all."

BEIJING REVIEW REPORTS ON FOREIGN BANK OFFICES

OW010930 Beijing XINHUA in English 0653 GMT 1 Jun 86

[Text] Beijing, June 1 (XINHUA) -- Office space in the Chinese capital is expensive, but it is worthwhile to have an office in Beijing, said Klaus R. Schroeder, chief representative of the Westdeutsche Landesbank of Federal Germany. According to tomorrow's issue of "BEIJING REVIEW", the Federal Germany's bank office is among the more than 160 representive offices and 18 branches of one hundred foreign banks of 24 countries that have offices in China. More than 90 foreign bank offices do business out of Beijing.

"China is a promising financial market," said Anne A. Lebourgeois from Manufacturers Hanover Trust Co. of the United States. "It is hard to imagine an international commercial bank not having a representative here," she said. Credit Suisse's clients include many small and medium-sized enterprises that are not in a position to send representatives abroad. The bank's Beijing office provides them information services.

Since foreign bank offices are not allowed to do banking in China, their main purpose is to establish contacts with Chinese banks, obtain market information, recommend trade possibilities and provide consultancy services. Hanspeter Brunner of Credit Suisse says his bank made substantial achievements in issuing credit cards in 1985. The Bank of Montreal is now the financial consultant for China's Ministry of Water Resources and Electric Power on its businesses in Canada. The Canadian bank will furnish financial consultation to China's three large hydroelectric power station projects and take part in extending a syndicated loan to these projects. It is also one of the initiators of a 430 million U.S. dollar loan for the construction of the Shanjiao thermal power station in Guangdong Province.

The Manufacturers Hanover Trust Co. gives active support to China's issuance of bonds in foreign countries and acts as one of the major agents of the Bank of China.

The British Standard Chartered Bank has been interested in tourist hotel projects. It believes that tourist hotels are quick to regain their investments and have the greatest potential of keeping a balanced foreign exchange reserve. The British Bank established a branch in Shanghai in 1858 and it has been operating there ever since.

SINO-U.S. CONFERENCE ON TRADE, ECONOMIC LAW OPENS

OW021547 Beijing XINHUA in English 1502 GMT 2 Jun 86

["Don't Miss the Ship, U.S. Investors Told" -- XINHUA headline]

[Text] Beijing, June 2 (XINHUA) -- China offers a "golden opportunity" to foreign investors, Foreign Economic Relations and Trade Minister Zheng Tuobin said here today. He said the country's open-door policy would be preserved well into the future. And he warned those who listened to doubts about the stability and continuity of the policy that they were in danger of missing out on a "most promising future".

Zheng was speaking at a four-day Sino-United States conference on trade, investment and economic law which opened here today. Seventy-one legal experts and business representatives from the U.S., and more than 200 Chinese delegates, are attending the conference to discuss matters concerning China's opening to the rest of the world, use of foreign funds, overseas investment and Sino-foreign co-operation.

The minister noted that Sino-U.S. trade and economic and technological co-operation had grown encouragingly over the past few years. The level of bilateral trade was almost nil back in 1972. But now, the United States was China's third-largest trading partner.

From 1979, when diplomatic relations were established, to 1985, the accumulated volume of direct trade amounted to 35.3 billion U.S. dollars. Last year, the volume of bilateral trade topped 7.3 billion U.S. dollars -- a record high. By the end of 1985, the contract value of direct investment by U.S. businesses in China had exceeded 2.1 billion U.S. dollars, and 130 Sino-U.S. joint-venture enterprises had been set up, accounting for 5.7 percent of the total number of Sino-foreign joint ventures.

However, Zheng said that although the prospects for developing trade and technological co-operation were good, expectations had yet to be fully met. He said: "We should be aware that the ideal level has not yet been reached, comparing the achieved results with the potential. Both sides must make great efforts to eliminate obstacles and difficulties affecting the full achievement of the potential." Negative factors in legislation had to be eliminated if economic and trade relations were to be expanded further.

Zheng said: "I think it is necessary for the U.S. side to take big steps to eliminate or revise once and for all certain antiquated legislation for the sake of a better adaptation to the needs of developing our bilateral relations." At the same time, the two sides should work hard to achieve a balanced development of Sino-U.S. trade, raise the level of economic and technological co-operation and work to create more favorable conditions for U.S. enterprises to invest in China.

Robert Strauss, head of the U.S. delegation, said in his speech that expectations for a substantial increase in Sino-U.S. trade could only be met if both sides worked hard for this. "The U.S. and Chinese business communities need to understand that Sino-U.S. trade relations are firmly rooted, and can withstand policy disagreements which may arise from time to time," he said. The critical issues which businesses in China and the United States faced was how to transform their interest into viable businesses, and how to translate economic opportunities into concrete operations which could succeed.

Gu Ming, director-general of the State Council's Economic Legislation Research Center pointed out that a sustained and co-ordinated development of China's economy was proceeding quickly and gaining momentum. He urged U.S. businesses interested in contributing to China's modernization to seize their opportunity by making prompt decisions.

The conference is being sponsored jointly by the Economic Legislation Research Center, the Foreign Economic Relations and Trade Ministry, the China Council for the Promotion of International Trade (CCPIT), the China International Trust and Investment Corporation and Beijing Municipal Authority. Jia Shi, president of CCPIT, held a banquet for the U.S. delegation after today's opening ceremony.

U.S. OFFICIAL ON IMPORTANCE OF JAPAN TIES

OW030254 Beijing XINHUA in English 0147 GMT 3 Jun 86

[Text] Washington, June 2 (XINHUA) -- Resolution of the U.S.-Japan trade problems is "necessary and central" to the maintenance of a sound overall relationship between the two countries, a senior U.S. State Department official said here today. In a speech on U.S.-Japan relations, U.S. Assistant Secretary of State Gaston Sigur said it is precisely because U.S. defense relationship with Japan is crucial and U.S.-Japan cooperation on international matters is so important and cordial that the economic friction between the two countries is so vexing.

The Japanese now recognize the threat posed by the Soviet Union, the importance of a credible, conventional self-defense capability and the need for U.S. military presence, he said at a seminar sponsored by the George Washington University and the Carnegie Council on Ethics and International Affairs.

He pointed out Japan now is contributing over one billion dollars per year for the direct support and maintenance of U.S. forces in Japan and called this "a tribute to quiet cooperation and to the progress Japan has been making." Besides, Sigur said, "on issues ranging from arms control to the Middle East, we have found Japan's views to be valuable and geared to Western goals, and we have seen our cooperation become increasingly intimate and fruitful."

He admitted that Japan's trade surplus with the United States has become a disruptive political issue. "We must not let economic friction persist," he declared. While calling for the removal of Japan's remaining trade impediments, Sigur stressed the importance to address economic structural issues in Japan and the United States because the elimination of trade barriers "will not result in a dramatic reduction of our bilateral trade imbalance."

He attacked protectionist bills such as the House omnibus trade bill. If the bill was enacted, it would "severely damage the U.S. economy, destroy American jobs, reduce our international trade competitiveness, and embroil us in trade conflicts with virtually all our major trading partners," he said.

In the past year alone, he said, one "finds a tremendous momentum in the direction of positive change" by Japan to reduce the imbalance in its trade account and he hopes Japan will carry through with these changes. Through perseverance and cooperation, he believed, the United States and Japan "will solve their economic problems in a way that will contribute to increased prosperity in each country and to an ever more solid and productive relationship across the board."

HU YAOBANG MEETS DPRK'S HWANG CHANG-YOP 3 JUN

OW030706 Beijing XINHUA in English 0702 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, met and feted Hwang Chang-yop, secretary of the Secretariat of the Korean Workers' Party Central Committee, and his party here today. They exchanged views on the development of friendly relations between the two parties and issues of common interest.

XI ZHONGXUN REITERATES SUPPORT FOR KOREAN PEOPLE

OW021323 Beijing XINHUA in English 1230 GMT 2 Jun 86

[Text] Beijing, June 2 (XINHUA) -- Xi Zhongxun, Political Bureau member of the Chinese Communist Party Central Committee, met here today a delegation from the Korean Democratic Front for the Reunification of the Fatherland, led by Chong Sin-hyok.

During the meeting, Xi said that an unstable Korean peninsula will affect peace and stability of the Asia-Pacific region and the world as a whole. He reiterated China's support to the Korean people in their efforts to reunify their country without outside interference.

Yang Jingren, vice-chairman of the national committee of the Chinese People's Political Consultative Conference, was present at the meeting. The Korean delegation is scheduled to leave here for home tomorrow.

PRC, DPRK REPEAT ARMISTICE ZONE PROPOSAL

OW291254 Beijing XINHUA in English 1219 GMT 29 May 86

[Text] Panmunjom, May 29 (XINHUA) -- Korea and China have once again called on the United States to dismantle all military installations and sentry posts in the security zone between the two parts of the Korean peninsula. Yi Tae-ho, senior member of the Korean-Chinese delegation to the Korean Military Armistice Commission repeated the demands at the 436th meeting of the commission.

Early in January, the Korean-Chinese delegation proposed that both sides dismantle all military installations, withdraw heavy and automatic weapons and reduce the number of security guards in the zone from 35 to 10. The proposal also recommended that the remaining guards be unarmed, and a special group be set up to supervise the security zone. The Korean-Chinese proposal was made "to relax tension in the joint security zone," said Major General Yi.

American representatives at today's meeting agreed to the proposal but insisted that before it is implemented a group made up of personnel from neutral countries should be appointed to supervise its organization.

Yi asserted that such an American attitude shows that they only want to "maintain the current situation in the joint security zone." He said the Korean-Chinese side will continue its efforts to relax the tense situation and is willing to continue the discussion with the Americans at any time.

SINGAPORE DEPUTY PREMIER CONTINUES VISIT

Departs For Shanghai

OW021121 Beijing Domestic Service in Mandarin 0300 GMT 1 Jun 86

[Text] Ong Teng Cheong, second deputy prime minister of Singapore, his wife, and party left Beijing for Shanghai by plane this morning. Vice Premier Tian Jiyun bid farewell to the Singapore guests at the Diaoyutai State Guesthouse.

Opens Commercial Office

OW021616 Beijing XINHUA in English 1549 GMT 2 Jun 86

[Text] Shanghai, June 2 (XINHUA) -- Singapore's Deputy Prime Minister Ong Teng Cheong officially opened the Shanghai branch of its commercial representative office in China today.

Earlier today, Ong explored possibilities of strengthening bilateral economic cooperation with leading officials of Shanghai. He expressed the interest in Shanghai's preferential policies for foreign investors as well as its plans to expand tourism, civil aviation and urban construction during the current five-year plan. He hoped that China would share with Singapore its experience in economic development and economic cooperation with foreign countries. In addition, he urged more Singaporean entrepreneurs to cooperate with Shanghai. The deputy prime minister and his party arrived here yesterday from Beijing.

XINHUA COMMENTARY 'UNMASKS' VPA WITHDRAWAL

OW300730 Beijing XINHUA in English 0703 GMT 30 May 86

[Commentary: Unmasking Hanoi's Partial "Troop Withdrawal" by Hao Zhangyin -- XINHUA headline]

[Text] Beijing, May 30 (XINHUA) -- To the accompaniment of noisy military music, the Vietnamese authorities have recently put up a pompous show of "troop withdrawal" in Phnom Penh. The partial withdrawal, the fifth of its kind since 1982, Vietnam claims, will involve some 10,000 men in Kampuchea, once a non-aligned nation and currently under Vietnamese occupation. As in previous years, Western journalists and media were invited to the event. But few people were taken in by the charade.

After witnessing the pageantry, several in the Western media cynically pointed out that the ostentatious display did not answer a long-nagging question: just how many troops does Vietnam maintain in the country? Without that information, "it is impossible to confirm the claims of the numbers withdrawn," an AP dispatch said. Western experts further noted that the withdrawal was "simply part of troop rotation and that fresh forces were moved in to replace them."

In Bangkok, Saowanit Khongsiri, a Thai Foreign Ministry spokesman, said Wednesday that he had no reason to believe that this partial withdrawal would be different from previous fake ones. In the previous years, Vietnam always sent fresh troops to Kampuchea after its announcement of a partial military pullout. However, what merits most attention is the purpose of the new charade and the hidden agenda.

Three Vietnamese actions surrounding the withdrawal have aroused public attention.

First, before the announcement of the partial military pullout, Hanoi sent advance military reinforcements to Kampuchea. According to Radio Democratic Kampuchea, nearly 5,000 Vietnamese soldiers arrived in Kampuchea aboard 130 military trucks. Fresh military operations have been planned by Hanoi to deal with the resistance forces in Kampuchea.

Second, the Vietnamese Government is stepping up the immigration influx into Kampuchea. The number of Vietnamese emigrants have already reached some 700,000. Further emigration of several hundred thousands is planned. The Vietnamese make up more than 60 percent of the population in Phnom Penh. This is part of the "Vietnamization" of Kampuchea carried out by Hanoi since it occupied that country in late 1978.

Third, Hanoi's troop withdrawal charade is an attempt at hookwinking world public opinion. In the past seven-and-a-half years of occupation of Kampuchea, a series of resolutions have been adopted by the United Nations and international organizations urging Vietnam to withdraw its troops from Kampuchea.

On March 17, the Coalition Government of Domestic Kampuchea, which is recognized by the U.N., put forward an eight-point proposal which called for a phased troop withdrawal by Hanoi and the formation of an interim government in Kampuchea, including the Vietnam-installed Heng Samrin faction. The proposal has won international support as "fair and reasonable" and can serve as a basis for a practical political settlement of the Kampuchea problem, taking into consideration the interests of both the Kampuchean people and Vietnam, as well as peace and stability in Southeast Asia. But the proposal was blatantly rejected by Hanoi. To counter the international criticism of its response, Hanoi once again staged the military pullout farce.

A sham is a sham no matter how hard Hanoi tries to camouflage it. And the world is catching on. As Abraham Lincoln once said: You can fool part of the world part of the time; you can even fool the whole world part of the time. But you cannot fool the whole world all the time.

If Vietnam really wants peace, it should reconsider the Kampuchean eight-point peace proposal and agree to talk to the Coalition Government of Democratic Kampuchea.

GUOJI SHANGBAO ON HONG KONG, GATT TIES

HK310547 Beijing GUOJI SHANGBAO in Chinese 22 May 86 p 1

[Commentators article: "An Important Arrangement for Maintaining Hong Kong's Prosperity and Stability -- Comment on Hong Kong As an Independent Contracting Party to GATT"]

[Text] On 22 May, Hong Kong attended the GATT council meeting for the first time as a member of the GATT. Since 23 April this year, Hong Kong has been regarded as a contracting party to the GATT as its 91st member. After our country's recovery of sovereignty over Hong Kong in 1997, the Hong Kong Special Administrative Region will continue maintaining its status as a contracting party to the GATT. This is an important arrangement for maintaining the prosperity and stability of Hong Kong in the transition period and after 1997 made by the Chinese and British Governments.

The GATT is of great importance to Hong Kong. Hong Kong is a free port, and foreign trade is its economic life. Eighty to ninety percent of Hong Kong's industrial products depend on export trade. The total value of its foreign trade, including entrepot trade, accounts for about 180 percent [as published] of its total output value. But as a free port in the absence of import duties (except for excise taxes on a small number of commodities such as tobacco, wines and gasoline), Hong Kong loses the weapon in bilateral negotiations to fight for mutual reduction in tariffs. The GATT is an international multilateral agreement with the stimulation of free world trade as its goal. It lays down principles and rules for the conduct of multilateral trade by various contracting parties. Given current prevailing trade protectionism, such GATT principles as "mutual benefit," "non-discrimination" and "most favored nation treatment" have provided protection for Hong Kong's competitiveness in its export trade. Since 1948, because of Britain, Hong Kong as an independent tariff area has enjoyed various GATT preferential arrangements and has availed itself of various GATT provisions in a fight for non-discrimination or less discrimination against its export products. Therefore, it logically follows that Hong Kong industrial and commercial circles and international investors have shown great concern over whether Hong Kong can continue maintaining its GATT status after 1997.

To ensure the Hong Kong Special Administrative Region's continuous participation in the GATT, after the establishment of the Sino-British Liaison Group, the Chinese and British sides guided by the spirit of friendship and cooperation made penetrating studies in line with the provisions in the Sino-British Joint Declaration on the Hong Kong issue and the organizational principles of GATT. They ended up with an agreement at last at the third meeting held in Hong kong in March this year. On 23 April, based on Article 26, Section 5(b), in the GATT, the representatives of the Chinese and British Geneva UN offices separately handed over a declaration to the director general of the GATT and completed the formalities to make Hong Kong a member of the GATT. The British representative's declaration pointed out: Hong Kong as an independent tariff area has been represented by the United Kingdom in accepting the GATT. It has full freedom in handling its foreign trade relations and other matters as prescribed in the GATT. In accordance with Article 26, Section 5(b), in the GATT and Hong Kong's wish, Hong Kong will, beginning from the date of this declaration be treated as a contracting party to the GATT. The Chinese representative's declaration pointed out: In accordance with the provision on the Hong Kong Special Administrative Region's economic and trade relations with foreign countries after 1997 in the Sino-British Joint Declaration on the Hong Kong issue, the Chinese Government hereby declares that from 1 July, 1997, the Hong Kong Special Administrative Region meeting the requirement in Article 26, Section 5(b), in the GATT for a tariff area to be treated as a contracting party can continue to be treated as a contracting party to the agreement in the name of "Hong Kong China."

Article 26, Section 5(b), in the GATT was formulated by the founding contracting parties in drafting the General Agreement in 1947 to enable some non-sovereign territories to qualify for participation in the GATT. It says: "Any tariff territory represented by a certain contracting country in accepting this agreement should enjoy and have full freedom in handling its foreign trade relations and other matters prescribed in the agreement. This territory, after the issuance of a declaration by the contracting country responsible for it confirming the above fact, should be treated as a contracting party to the agreement." But so far, all those that have become contracting parties to the General Assembly Agreement by citing this article are colonies heading for independence and dependencies. All of them have also become independent states politically. It should be described as a unique practice without precedent for Hong Kong now to cite this article to become a contracting party.

At the very outset, the Chinese representatives of the Sino-British Joint Liaison Group attached great importance to the matter of ensuring the Hong Kong Special Administration Region's continuous participation in the GATT and assumed a positive and down-to-earth attitude in studying various ways for the British side to solve this problem. The above simple way, easy to practice, was at last confirmed. This is because Hong Kong, as a non-sovereign independent tariff area based on Article 26, Section 5(b), in the GATT, is treated as a contracting party to the general agreement. This is allowed by the provisions in the General Agreement and in no way means Hong Kong is an independent political entity. Therefore, this does not affect China's sovereignty over Hong Kong. Meanwhile, the Chinese Government has also taken into full consideration the fact that the vitality of Hong Kong's free trade policy in the system of world trade depends, to a large degree, on legal protection. The GATT is to Hong Kong a link with the general world trade system. It also provides needed legal protection for competitiveness in Hong Kong's export trade. The GATT is indispensable to Hong Kong. Now as a contracting party to the general agreement, Hong Kong can strengthen its capacity for GATT activity. This helps in Hong Kong's economic and trade development in the transition period. It can also allow the relatively early confirmation of the Hong Kong Special Administrative Region's status in the GATT, thus helping to boost people's confidence in Hong Kong's future.

The Chinese and British Governments have jointly made arrangements for Hong Kong's status in the GATT in a swift and smooth manner. This is another practical act on the part of the Chinese and British sides in entering into friendly cooperation and realistically carrying out the "Joint Declaration." It has been universally hailed by Hong Kong people in all walks of life. In Hong Kong's transition period, the Chinese and British Governments will also make some international arrangements to enable Hong Kong to continue maintaining its economic and trade relations with foreign countries in future.

XI ZHONGXUN, GU MU MEET HONG KONG'S LO

OW011348 Beijing XINHUA in English 1341 GMT 1 Jun 86

[Text] Beijing, June 1 (XINHUA) -- T.S. Lo, a noted figure from Hong Kong, had a meeting here today with Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, and State Councillor Gu Mu. T.S. Lo came here on May 29 at the invitation of the Chinese People's Political Consultative Conference National Committee.

FANG YI AT SINGAPORE-PRC CALLIGRAPHY EXHIBITION

OW030429 Beijing XINHUA Domestic Service in Chinese 1228 GMT 2 Jun 86

[Excerpts] Beijing, 2 Jun (XINHUA) -- Chinese and Singaporean calligraphers gathered at the Palace of the Working People today to jointly celebrate the opening of the second Sino-Singaporean calligraphy exchange exhibition, learning from each other's skills in calligraphy.

The opening ceremony was held in the morning. State Councillor Fang Yi, who is also honorary council member of the Chinese Calligraphers Association, and He Jialiang, honorary leader of a calligraphers delegation from Singapore, smilingly cut the silk ribbon. Two years ago a Chinese calligraphers delegation was invited to visit Singapore, where it attended the first Sino-Singaporean calligraphy exchange exhibition, which was broadly admired.

The exhibition is jointly sponsored by the Chinese Calligraphers Association and the Zhonghua Calligraphers Association of Singapore, and will close on 12 June. A source says similar exhibitions will be held every 2 years.

RONG YIREN LEADS NPC DELEGATION IN DENMARK

Remarks on USSR Ties

OW030208 Beijing XINHUA in English 0044 GMT 3 Jun 86

[Text] Copenhagen, Jun 2 (XINHUA) -- Danish Prime Minister Poul Schluter today called for more long-term cooperation with China. During a meeting with a delegation of the Chinese National People's Congress (NPC) headed by NPC Vice President Rong Yiren, Schluter said the prospects for Danish-Chinese cooperation are "broad." In his reply, Rong said China's economic development requires not only its own efforts but also assistance from other countries and the Chinese delegation places hopes for such assistance from Denmark.

In separate meetings with Queen Margrethe and leaders of the Danish Parliament and political parties, including Parliament Speaker Svend Jakobsen, the Chinese delegation discussed present Sino-Soviet relations, China's nuclear energy and armaments policies and bilateral trade. Rong said despite some economic contacts, no breakthrough has been achieved in political relations between China and the Soviet Union because of Moscow's failure to take practical measures.

On China's nuclear policy, the deputy chief of the delegation Ye Lin, who is also a member of the NPC Standing Committee, said the recent Soviet Chernobyl nuclear accident would not affect China's program for developing nuclear energy because China had always emphasized safety in its plants.

Rong invited Jakobsen to visit China and expressed the hope that the Chinese NPC and the Danish Parliament would increase contacts. Jakobsen said all parties in Denmark want stronger ties with China. The Chinese NPC delegation arrived here on May 30 at the invitation of the Danish Parliament and will conclude its visit Tuesday.

Hosts Reception in Copenhagen

OW030350 Beijing XINHUA in English 0129 GMT 3 Jun 86

[Text] Copenhagen, Jun 2 (XINHUA) -- Danish House Speaker Svend Jakobsen today told a group of Chinese congressmen that Denmark will develop relations with China not only in trading but also in the political and cultural fields.

Jakobsen was speaking at a reception at the Chinese Embassy here given by Rong Yiren, vice-chairman of the Standing Committee of the Chinese National People's Congress (NPC) and head of a NPC delegation which arrived here Friday for a four-day visit at the invitation of the Danish Parliament. Jakobsen said that in their visits to enterprises and meetings with Danes from all walks of life, the Chinese visitors will find that Denmark is "enormously interested in China." He said Denmark is "very glad" to be part of the efforts by the two countries to seek peace in international institutions.

Rong, in his toast, expressed gratitude to his Danish hosts and said that his visit "has deepened the friendly feelings between us." Deputy House Speaker Knut Destergaard and a number of Danish congressmen and businessmen attended the reception. Also present was Chinese Ambassador to Denmark Chen Luzhi.

THATCHER'S VISIT TO ISRAEL SEEN AS UNSUCCESSFUL

OW301844 Beijing XINHUA in English 1819 GMT 30 May 86

["News Analysis: Thatcher's Visit to Israel Fails to Make Breakthrough (by Wang Genbao)" -- XINHUA headline]

[Text] Cairo, May 30 (XINHUA) -- British Prime Minister Margaret Thatcher's recent visit to Israel indicated Britain's good will to push ahead the deadblocked Middle East peace process but apparently she has not achieved much success. Mrs. Thatcher is the first British prime minister to visit Israel in 38 years. Her four-day stay there arrested worldwide attention and aroused the concern of the Arab world. Thatcher's talks with Israeli leaders focused on ways to break the deadlock of the Middle East peace process, but, as the British prime minister herself put it, no consensus was reached on how to proceed.

Thatcher's tour ending Tuesday came just before her country is to take over the chairmanship of the European Community in July. Observers believe that Thatcher wants to take advantage of this opportunity to prepare for a larger role for Britain in the Middle East. Mrs. Thatcher seemed well prepared for her visit by contacting U.S. President Ronald Reagan, Jordanian King of Husayn [as received], U.N. Secretary-General Javier Perez de Cuellar and Soviet officials before she came to Israel. But British officials declined to give more details about the British "initiative."

Middle East observers noticed that Thatcher had made it clear to the Israeli leaders that Britain was in favor of Palestinians' self-determination and asked the Israeli Government to improve the living conditions of the Palestinian people in the occupied Arab territories. Although the Israeli Government welcomed Thatcher's visit in the hope of making use of Britain's strong influence in the region and its close ties with some moderate Arab states to break through the present impasse, it refused to make any commitment to the British proposal. The Arab world, however, hailed the "positive point" in Thatcher's speech. The Arabs believe that Britain's position is conducive to the solution of the Mid-East problem and contributes to the Middle East peace.

However, another point in Thatcher's speeches greatly disappointed the Arab countries which have been longing to see a breakthrough in the Middle East peace process. Thatcher asked the Palestine Liberation Organization to recognize Israel and declare the rejection of terrorism. Otherwise, a new PLO leadership should be set up, she said. These remarks, one Arab observer pointed out, run counter to her sympathy for the Palestinian self-determination and offset Britain's effort to push ahead the Middle East peace process.

The Egyptian press stressed that all countries who devote themselves to the Mid-East peace should know that the PLO is the sole and legitimate representative of the Palestinian people and all efforts will lead to nowhere unless the PLO's support is secured. PLO Chairman Yasir 'Arafat made the harshest response to Thatcher's statement, saying that the British prime minister in her proposal only restated the well-known U.S.-Israeli common stand, defying the right of the Palestinian people to self-determination. The Palestinians in the West Bank and Gaza Strip also critisized Thatcher and asked Britain to respect the choice of the Palestinian people.

Observers said it is still early to predict what the next step Britain will take, but one thing is certain that unless the European countries manage to urge the United States to change its policy of backing Israel and guarantee the Palestinians' right to self-determination, they could not play any role in settling the Middle East problem.

FURTHER REPORTAGE ON WU XUEQIAN'S EUROPEAN TRIP

To Expand Ties With GDR

OW030104 Beijing XINHUA in English 0048 GMT 3 Jun 86

[Text] Berlin, June 2 (XINHUA) -- Democratic German Leader Erich Honecker and visiting Chinese Foreign Minister Wu Xueqian today agreed that further expansion of bilateral relations is in the interests of socialist construction in both countries and world peace. At a meeting here today, the two officials noted with satisfaction the positive development of relations between their two countries over the past few years. Wu is here on the eighth leg of a nine-nation European tour.

Wu and Honecker were pleased to meet again in Berlin since their first meeting in 1950 when Wu, a member of a Chinese youth delegation, made a trip here and got acquainted with Honecker. Both were in charge of youth work at the time.

The Democratic German leader briefed Wu on the achievements his country has scored in socialist construction since the 1971 Congress of the Ruling Socialist Unity Party and the tasks set for the country at the party's congress in April. The paramount goal of his country's diplomacy, Honecker said, is to prevent war and safeguard world peace.

Wu pointed out that China and Democratic Germany share the desire for maintaining peace and securing a peaceful international environment for their domestic development.

The Chinese foreign minister gave an account of the successes China has achieved in reforms in both rural and urban areas since the third plenary session of the 11th Central Committee of the Chinese Communist Party in 1978. He also explained China's independent and peaceful foreign policy. Earlier in the morning, Democratic German Premier Willi Stoph had met with Wu and both agreed to seek ways to further the two countries' cooperation in various fields.

In a departure statement to reporters before leaving here for Hungary at the end of a four-day visit, Wu expressed satisfaction with the results of the visit. He described his talks with Democratic German leaders as fruitful and said he was impressed with the accomplishments Democratic Germany has made since his visit more than 35 years ago.

Arrives in Hungary

OW030050 Beijing XINHUA in English 0027 GMT 3 Jun 86

[Text] Budapest, June 2 (XINHUA) -- Chinese Foreign Minister Wu Xueqian arrived here this evening from Democratic Germany for a visit to Hungary. Budapest is Wu's last stop of a nine-station European tour which took him to seven West European countries and Berlin.

PRC-GDR ECONOMIC COMMISSION MEETING ENDS

OW310058 Beijing XINHUA in English 0045 GMT 31 May 86

[Text] Berlin, May 30 (XINHUA) -- The German Democratic Republic and China are satisfied with the progress in their economic cooperation for expanding this cooperation.

This was indicated in a protocol signed here today at the end of the second meeting of the GDR-China commission for cooperation in the economic, trade, scientific and technological fields.

During the four days of discussion, the two sides considered the 1986-1990 trade accord as an important basis for further deepening a long-term cooperation between the two countries. They agreed that cooperation should be extended primarily in the raw materials, transport, traffic and farm machine engineering branches as well as China's "sparking plan."

The "sparking plan", a blueprint made by the Chinese State Science and Technology Commission covering 24 major fields, is designed to apply advanced technologies to the development of local economies. Chinese Chemical Industry Minister Qin Zhongda, heading a government delegation to the commission meeting, has met with Democratic German Premier Willi Stoph. They discussed ways of increasing economic and techno-scientific cooperation between the two countries.

SINO-CZECHOSLOVAK COOPERATION PROTOCOL SIGNED

OW010016 Beijing XINHUA in English 0003 GMT 1 Jun 86

[Text] Prague, May 31 (XINHUA) -- The Sino-Czechoslovak talks on the promotion of cooperation in science and technology ended here today after a number of documents were signed summing up the results. The delegation to the talks were headed by Song Jian, Chinese state councillor and minister in charge of the state science and technology commission and his Czechoslovak counterpart Jaromir Obzina.

The documents signed here today included a protocol on direct cooperation between the departments they head, a 1986-87 cooperation plan and an accord on the implementation of the 1986-90 cooperation program concluded in Beijing last year. Cooperation between the two countries in science and technology will take a number of forms, including exchange of information and experts, joint research and participation in international symposiums organized in both countries.

CEAUSESCU URGES DESTRUCTION OF NUCLEAR WEAPONS

OW300324 Beijing XINHUA in English 0106 GMT 30 May 86

[Text] Bucharest, May 29 (XINHUA) -- Romanian President Nicolae Ceausescu today said the destruction of nuclear weapons is the only effective way to prevent a worldwide catastrophe. Addressing a national congress of farmers, Ceausescu said the number of arms, troops and military expenditures in the world should be reduced by 50 percent by the year 2000. It is imperative, he said, that the superpowers agree on a maximum limit of weapons in their possession.

The United States' Strategic Defense Initiative and any other similar programs could only lead to intensifying the arms race and bring it to outer space, the Romanian leader said. The huge outlays for space militarization should be transferred to civil uses, such as fighting drought, eliminating pollution and protecting the earth's environment, he said.

Ceausescu appealed to the United States and other countries to stop any nuclear tests, asking them to strive for positive results in disarmament talks.

CAPE VERDE PRIME MINISTER'S VISIT CONTINUES

Attends Ceremony With Zhao

OW300917 Beijing XINHUA in English 0633 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Pedro de Verona Rodrigues Pires, prime minister of Cape Verde, his wife and their party left here this morning for a visit to Nanjing in the company of Yang Bo, minister of light industry. Chinese Premier Zhao Ziyang saw them off at the Diaoyutai Guest House.

Both prime ministers considered the visit by Pires successful and fruitful. They noted the common desire to develop bilateral friendly cooperation including economic cooperation.

Prior to Pires's departure for the airport, the two prime ministers also attended a ceremony to witness the signing of an agreement on an interest-free loan to be provided by China to Cape Verde.

Feted in Nanjing

OW301144 Beijing XINHUA in English 1114 GMT 30 May 86

[Text] Nanjing, May 30 (XINHUA) -- Prime Minister of Cape Verde Pedro Pires and his party were honored at a banquet given by Gu Xiuliang, governor of Jiangsu Province, here this evening. Pires and his party arrived here in the company of Chinese Minister of Light Industry Yang Bo earlier today. They went on a cruise on the Yangtze River and were taken to the Nanjing Yangtze River Bridge and the Nanjing Normal University this afternoon.

Entertained By Chinese Children

OW011442 Beijing XINHUA in English 1429 GMT 1 Jun 86

[Text] Changzhou, June 1 (XINHUA) -- Cape Verde's Prime Minister Pedro Pires, his wife and party spent the afternoon with several hundred Chinese youngsters at the Children's Palace here today. The children danced, played music and demonstrated their skills of embroidery and painting to the visitors.

Mrs Adelcia Pires, president of the National Young Pioneers' Organization, presented the palace with records of songs by Cape Verde's children and conveyed greetings of International Children's Day from the children of her country to the Chinese children.

The visitors today also toured a recorder manufacturing factory, a knitting mill and a new residential area in the suburbs of Changzhou. They arrived here this morning from Nanjing, where they visited two county-run factories, a medical school and some scenic spots yesterday.

PRC,EGYPT COMMEMORATE ANNIVERSARY OF RELATIONS

OW290156 Beijing XINHUA in English 2339 GMT 28 May 86

[Text] Cairo, May 28 (XINHUA) -- The 30th anniversary of the establishment of the diplomatic relations between China and Egypt was commemorated here today with a reception given by Chinese Ambassador to Egypt Wen Yezhan.

Speaking at the reception, the Chinese ambassador said that facts have proved that the friendly cooperation based on equality between the two countries in various fields conforms to the basic interest of the people of China and Egypt, and of the Arab world and the Third World. It is also of great importance to defending world peace, he added. Recalling the course of the friendly relations between the two countries, Egyptian Deputy Premier and Foreign Minister 'Abd al-Majid in his speech wished the friendship between the two countries will grow with each passing day.

Li, Zhao Greet Mubarak

OW292040 Beijing XINHUA Domestic Service in Chinese 1330 GMT 29 May 86

[Text] Beijing, 29 May (XINHUA) -- President Li Xiannian and Premier Zhao Ziyang jointly sent a message to Egyptian President Mubarak on 29 May, extending congratulations on the 30th anniversary of the establishment of diplomatic relations between the two countries.

The message said: "On the occasion of the 30th anniversary of the establishment of diplomatic relations between the People's Republic of China and the Arab Republic of Egypt, we extend, on behalf of the Chinese Government and people as well as in our names, the warmest congratulations and most cordial regards to you and, through you, to the friendly Egyptian Government and people."

The message said: "Friendly Egypt was an Arab and African country which established diplomatic relations with new China in its early days. Over the 3 decades since the establishment of our diplomatic ties, the Chinese and the Egyptian peoples have sympathized and supported each other in the struggle against imperialism and colonialism as well as against aggression and expansion by external forces, and we have learned from and cooperated with each other in building up our respective countries and developing our national economies. Especially in recent years, friendly and cooperative relations between our two countries have been growing in strength and developing steadily. The traditional friendship between the Chinese and Egyptian peoples have stood the test of time."

The message said: "The Chinese people have always valued their sincere friendship with the Egyptian people, and the Chinese Government has, all along, attached a great importance to consolidating and developing the friendly and cooperative relations between our two countries. We hold that such relations not only conform to the fundamental interests of our two people but also contribute to the cause of maintaining world peace and promoting human progress."

In conclusion, the message said: "We are convinced that, with the meticulous care by the peoples of our two countries, the flowers of Sino-Egyptian friendship will definitely become more beautiful and bear more fruits."

Peng Zhen Sends Message

OW292031 Beijing XINHUA Domestic Service in Chinese 1338 GMT 29 May 86

[Text] Beijing, 29 May (XINHUA) -- Peng Zhen, chairman of the NPC Standing Committee, sent a message to speaker of the Egyptian People's Assembly al-Mahjub on 29 May on the 30th anniversary of the establishment of diplomatic relations between the two countries.

The message said: "On the occasion of the 30th anniversary of the establishment of diplomatic relations between the People's Republic of China and the Arab Republic of Egypt, I extend, on behalf of the PRC NPC Standing Committee and the Chinese people, my warmest congratulations to the Egyptian People's Assembly, the Egyptian people, and Your Excellency."

The message said: "The traditional friendship and friendly and cooperative relations between China and Egypt have been growing in strength in the past 3 decades thanks to the joint efforts and concern of the leaders and governments of the two countries. I am convinced that the friendly and cooperative relations between China and Egypt, which are in line with the vital interests of the people of our two countries, will continue to grow in the years to come."

The message said: "The PRC NPC is willing to work together with the People's Assembly of the Arab Republic of Egypt in making its share of contributions to this."

Egypt's Mubarak Sends Greetings

OW300106 Beijing XINHUA in English 0023 GMT 30 May 86

[Text] Cairo, May 29 (XINHUA) -- Egyptian President Husni Mubarak today sent a message of greetings to Chinese President Li Xiannian on the 30th anniversary of the establishment of the diplomatic relations between the two countries, which falls on tomorrow. The message said that during the past 30 years, the constant consultations and mutual visits of leaders of the two countries have cemented "our effective and constructive cooperation in various fields."

President Li Xiannian's visit to Egypt last March gave expression to the firm friendship and good relations between the leaders and the people of the two countries, the message recalled. The message appreciated China's support to Egypt's unsparing efforts for realizing a just and comprehensive peace in the Middle East and hoped for further strengthening the cooperation and friendship.

Egyptian State Minister for Foreign Affairs Butrus Ghali in a broadcast speech on the occasion recalled that the diplomatic relations between Egypt and China was established as a result of the historic meeting between the late Egyptian President Gamal 'Abd al-Nasir and the late Chinese Premier Zhou Enlai at the Bandung Conference in 1955, which marked the beginning of the unity and cooperation among the countries of the Third World.

The relations between Egypt and China should be an example for relations between all big or small states, it said.

Reception Marks Anniversary

OW291630 Beijing XINHUA in English 1457 GMT 29 May 86

[Text] Beijing, May 29 (XINHUA) -- The Chinese People's Association for Friendship With Foreign Countries gave a reception here tonight to mark the 30th anniversary of the establishment of diplomatic relations between China and Egypt.

Lin Lin, vice-president of the host association, said in his toast that thought the world has undergone great changes over the past 30 years, China and Egypt have cooperated closely in various fields and supported each other in the cause for world peace.

He hoped the friendship between the two peoples, which have stood the test of time, will continue to grow.

Ahmad A. Salim, Egyptian ambassador to China, said the Egyptian Government and people have been proud of their country being the first Arab and African country to recognize the People's Republic of China. Since diplomatic ties were established 30 years ago, bilateral cooperation in politics, economy, and science and technology has been strengthened, he said. He hoped that such cooperation will continue to expand.

Wang Renzhong, vice-chairman of the National People's Congress Standing Committee, was among the guests.

Egyptian diplomats and experts and students in Beijing were also present.

Li Peng Attends Banquet

OW301424 Beijing XINHUA in English 1403 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Chinese Vice Premier Li Peng attended a banquet here this evening given by Egyptian Ambassador to China Ahmad A. Salim in celebration of the 30th anniversary of the establishment of diplomatic relations between the two countries. Both Vice-Premier Li and Ambassador Salim spoke highly of the all-round development of friendship between the two peoples and bilateral friendly cooperation in the last three decades.

ZAIRIAN LEADER HAILS RELATIONS WITH PRC

OW311800 Beijing XINHUA in English 1746 GMT 31 May 86

[By Chen Weibin]

[Text] Kinshasa, May 29 (XINHUA) -- Kengo wa Dondo, Zairean first state commissioner (premier), will seek possibilities of strengthening friendly relations and cooperation between Zaire and China during his forthcoming official visit to China. In an interview with XINHUA here today, Dondo said that Zaire and China have been cooperating with vigor and success since the normalization of their relations in 1973.

Dondo said that he will take the opportunity of the visit to discuss with Chinese leaders ways of strengthening and developing the "satisfactory cooperation." He predicted that the cooperation has a bright future. He and Chinese leaders will go into such items as joint venture, health, agriculture and education, he added.

Dondo said China has been following the four principles guiding its economic and technical cooperation with other countries as set forth by Chinese Premier Zhao Ziyang -- equality and mutual benefit, stress on practical results, diversity in form and achievement of common progress. He added that those principles are the basis for cooperation between the two countries and will surely lead to success.

Zairean President Mobutu Sese Seko has visited China four times. Chinese Premier Zhao Ziyang visited Zaire in February 1983. The China and Zaire Joint Commission was established on December 15, 1984 to strengthen cooperation between the two countries in economy, trade and technology. Dondo's visit from June 7 to 12 will take place at a time when Zaire starts its first five-year plan for vitalizing the economy.

ZHAO ZIYANG MEETS NUJOMA; GIVES SUPPORT TO SWAPO

OW021535 Beijing XINHUA in English 1513 GMT 2 Jun 86

[Text] Beijing, June 2 (XINHUA) -- Premier Zhao Ziyang stated here today that China stood resolutely at the side of the South-West African People's Organization (SWAPO). China's support for the Namibian people in their just struggle for national independence under the leadership of SWAPO would remain unchanged, he said.

Zhao, also a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, was speaking at a meeting here with a SWAPO delegation led by its President, Sam Nujoma. The premier noted that the situation in Namibia and southern Africa had changed since the visit by a delegation led by Nujoma in March last year. The Namibian people had won new victories in their struggle.

Nujoma thanked the Chinese Communist Party and Government for political, diplomatic and material help given to the Namibian people and for their support for African countries - frontline countries in particular. He said this helped to strengthen these countries' independence, and assisted the Namibian people in their struggle against the political power of racism in South Africa. "The Chinese people have always stood by the Namibian people," he added.

He accused the South African authorities of propping up a puppet regime and practising apartheid in Namibia. The Namibian people would strengthen their armed struggle until they won national liberation.

Zhao said he believed the international community would give more support to the struggle under the leadership of SWAPO, and that events would favor the Namibian people. Meanwhile, the South African authorities would become more isolated. The Namibian people were bound to win their just struggle. The delegation arrived here today for a friendly visit at the invitation of the Chinese Communist Party.

RENMIN RIBAO ON UN CONFERENCE ON AFRICA

HK300951 Beijng RENMIN RIBAO in Chinese 27 May 86 p 6

[Commentator's article: "Africa Needs Worldwide Attention"]

[Text] The special UN conference on the African economic situation will open today in New York. The conference will deeply review the difficulty-ridden economic situation in Africa in an all-round way and will seek some solutions for Africa to handle its economic problems. This is the first time since its founding that the United Nations has held a special conference to discuss a continent's economic problems. This fully shows that many countries have paid attention to the international community's concern over the problems in Africa.

The African economic situation has been continuously worsening since the mid-1970's, and in particular, Africa encountered an extremely serious drought rarely seen in the past century. As a result, there is a serious shortage of food, the debt crisis has become deeper and deeper, and per capita national income keeps declining, and the people are leading a very hard life.

Although the international community last year provided urgent food and material aid to Africa, thus significantly mitigating the disastrous situation, Africa is now still faced with the dual challenge of survival and developent. In view of the situation in many African countries, the economic difficulties have not been fundamentally overcome. The 21st African summit summed up the experience in Africa's development and adopted a declaration on the African economic situation, calling for the convention of an international conference to seek a fundamental solution for Africa's economic development. Under this situation, the 40th UN General Assembly made a positive response to the African countries' call and decided to hold a special conference to discuss the African economic situation. This decision is necessary, and it was made in food time. Undoubtedly, it is welcomed by the African people and the people throughout the world.

Africa is rich in natural resources. However, due to the long colonial rule in the past, its economic development was seriously impeded and its economic foundation became very weak. After winning independence, the African countries were all faced with the arduous task of developing their economies. However, they lack experience in handling economic affairs and have to make advances by groping their way in a not too long period after independence. It is unavoidable that they make various errors and mistakes. The African countries are summing up their practical experience and are seeking a course suited to their national conditions. They are readjusting their development strategies, strengthening agriculture, and making unremitting efforts to develop their national economies and improve the people's livelihood. Some countries have achieved encouraging initial results.

It should be pointed out that Africa's economic development is now still being disrupted and obstructed by external factors. In particular, Africa is still suffering from the evil effects of the unreasonable and unfair international economic order. The prices for raw materials and primary products produced by Africa keep falling, and this has sharply decreased Africa's income and worsened its credit conditions. The assistance and funds available to African countries are decreasing. The debt burdens borne by African countries have become heavier and heavier. When facing such a stern international environment, apart from relying on their internal cooperation and developing their economies through collective self-reliance, they also need to solicit active support and assistance from the international community.

In the world today, economic development in all countries is closely interrelated. If the economy is such a big continent as Africa has so many Third World countries that for a long time could not develop smoothly, the world economy will certainly be affected and will not be able to continuously and smoothly develop either. Therefore, the survival and development of Africa is not merely a matter of the African people, but is also a global issue. It is an unshirkable duty for the international community, especially developed countries, to help African countries ease up their economic crises and develop their economies so as to build a new international economic order that favors the economic development of all countries. This is a positive way to resolve the problems. The African countries have put forward some proposals. It is hoped that the UN conference will achieve good results in this regard.

The African countries are now facing difficulties in the course of advancing their national economies. The African people will have a bright future. The independence of the African countries played a great role in the progress of human society in the past, and the development and prosperity of the African countries will certainly make greater contributions to world peace and human progress.

YAO YILIN ADDRESSES LUNCHEON IN VANCOUVER

OW281006 Beijing XINHUA in English 0958 GMT 29 May 86

[Text] Vancouver, May 28 (XINHUA) -- Visiting Vice-Premier Yao Yilin said today China will stay with its open door policy and is set to increase economic cooperation with foreign countries, making greater use of foreign capital and imported advanced expertise.

The vice-premier, speaking at a luncheon hosted by the province of British Columbia, briefed the 200 guests on China's Seventh Five-Year Plan. He said that there is political stability in China and its economy is growing at a steady pace, two factors that favor foreign investors. He welcomed Canadian entrepreneurs to tour China and explore first hand the investment opportunities.

In answer to a question on China's balance of trade, Yao said China runs a trade deficit with many countries due to insufficient foreign exchange and high demand, as is the case in its trade with Canada. Problem cries out for bilateral effort, and while increasing its exports to Canada, China hopes to increase cooperation with it in machine-building and the production of spare parts, Yao said. He said he was convinced that China-Canada cooperation will make headway as Canada is aware of the trade imbalance problem.

The Chinese vice-premier is in Vancouver for the opening of the China pavilion at the 1986 World Exposition on Transportation and Communications.

Returns to Beijing

OW301815 Beijing XINHUA in English 1550 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Vice-Premier Yao Yilin wound up his visit to the United States, and returned here this evening. Following his visit to the U.S., he went to Canada to attend the activities of "China Day" of the 1986 World Exposition on Transportation and Communications held in Vancouver.

HU YAOBANG MEETS BRAZILIAN CP GENERAL SECRETARY

OW301230 Beijing XINHUA in English 1225 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Chinese Communist Party (CPC) General Secretary Hu Yaobang today said that it is a matter of rejoicing that the relations between the CPC and the Brazilian Communist Party have been resumed after a suspension of over 20 years.

He made this remark at a meeting with Giocondo Dias, general secretary of the Brazilian Communist Party and his delegation here this afternoon.

Dias said they are here to resume dialogue with the CPC in ther hope for promoting the relations between the two parties and the two countries.

Hu noted tht China and Brazil are on good terms and their economic exchange has been going on well. There is great potential for bilateral economic cooperation and the two countries should have long-term cooperation in varied forms, he said.

Dias said Brazil wants to have cultural and technological exchange with China in addition to economic cooperation.

The guests were honored at a dinner Hu hosted after the meeting.

ZHAO ZIYANG MEETS BRAZILIANS FROM PARANA

OW021440 Beijing XINHUA in English 1422 GMT 2 Jun 86

[Text] Beijing, Jun 2 (XINHUA) --Chinese Premier Zhao Ziyang said here today that there exist broad prospects for the growth of Sino-Brazilian friendly relations and cooperation both in political and economic fields. He made these remarks at a meeting with a delegation from the State of Parana of Brazil led by its former state Governor Jose Richa here this afternoon. The delegation will go to Hangzhou to sign an agreement on the establishment of friendly ties between Zhejiang Province and the State of Parana.

Richa handed a letter from Brazilian President Jose Sarney to Premier Zhao. In his letter President Sarney expressed his wishes for further strengthening Brazil-China friendship and cooperation.

Zhao said he shared the same desire with President Sarney. He praised the Brazilian people's achievements in their economic construction and for their efforts to overcome difficulties. Zhao said the two countries had much in common and should learn from each other's experiences. He noted Brazil's experience in combining the use of foreign funds with the development of its natural resources. The Chinese premier briefed the visitors on China's economic situation, and expressed his confidence in its future development. "We have found the way of building China in the light of its concrete conditions," he said.

Richa said many Brazilians wanted to know more about China despite the distance separating the two countries. The two countries should develop their cultural exchanges and strengthen economic contacts for their countries' prosperity. Zhao said the Chinese Government supported the establishment of friendly ties between Zhejiang Province and the State of Parana.

MEXICAN TRADE UNION DELEGATION VISITS PRC

Meets Hu Qili

OW301441 Beijing XINHUA in English 1428 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, met here today a delegation from the Confederation of Workers of Mexico. Hu welcomed the 86-year-old General Secretary Fidel Velazquez and his delegation to visit China. Hu noted the smooth progress of the relations between the two countries since the establishment of their diplomatic relations in 1972. China pays great attention to Mexico's struggles against hegemonism and for world peace and to develop national economy and establish a new international economic order, he said. "We also attach great importance to the role of the Latin American countries in world affairs," he added.

Velazquez expressed the hope to further strengthen ties and promote understanding and friendship with the All-China Federation of Trade Unions.

Meets Ni Zhifu

OW021447 Beijing XINHUA in English 1354 GMT 2 Jun 86

[Text] Guangzhou, Jun 2 (XINHUA) -- A delegation from the Confederation of Workers of Mexico left here for home today after winding up a visit to Beijing, Xian and Guangzhou.

Ni Zhifu, member of the Political Bureau of the Chinese Communist Party Central Committee and president of the All-China Federation of Trade Unions, met Fidel Velasquez, general secretary of the Mexican confederation, and his delegation in the Swan Hotel here yesterday.

RENMIN RIBAO VIEWS U.S. ROLE IN CONTADORA TALKS

HK300203 Beijing RENMIN RIBAO in Chinese 24 May 86 p 7

["Roundup" by Zhu Manting: "The Central American Peace Talks Draw People's Attention"]

[Excerpts] The Contadora Group has set the deadline for signing the Central American peace treaty for 6 June. As the date draws nearer, whether or not the treaty can be signed as scheduled has become a focal point of attention in the international community. A plenipotentiary meeting of nine Latin American countries was held some time ago. Judging from the progress of the meeting, there are still great differences among Latin American countries and it is still difficult to achieve the expected results. However, the current situation also contains some positive factors contributing to the further development of the peace talks.

What is noteworthy is that the United States does not directly participate in the Central American peace talks, but the strained relations between the United States and Nicaragua is undoubtedly a major factor affecting the progress of the peace talks. Although the United States orally supports the Contadora Group's idea on signing the treaty as soon as possible, it is unwilling to take concerted actions with the Contadora Group. When the foreign ministers of eight Latin American countries visited the United States last February, Ronald Regan avoided meeting them. Later, however he met with the leaders of the Nicaraguan antigovernment organizations. The Reagan administration has always sought to increase military aid to the Nicaraguan antigovernment organizations and refused to hold a dialogue with the Nicarguan Government. This policy of the U.S. Government has been subjected to extensive criticism at home and abroad. The Reagan administration's proposed bill to provide the Nicaraguan antigovernment organizations with $100 million in military aid has met with resistance in the House of Representatives. Latin American countries, including such Central American countries as Costa Rica and Honduras, are also dissatisfied with the U.S. practice. The leaders of Peru and Uruguay, however, categorically expressed their approval of the Nicarguan stand, namely, that conditions of security and of freedom from aggression must be created before the treaty is signed. Philip Habib, U.S. Government special envoy to Central America, has announced that the United States is prepared to suspend its military aid to the Nicarguan antigovernment organizations after the signing of the Latin American peace treaty. However, in the view of public opinion, this does not mean that the United States will give up its policy of interfering in Latin American affairs, its real purpose being to embarrass Nicaragua by attributing to Nicaragua the responsibility for the failure of the peace treaty.

People notice that there are many difficultes on the road to peace talks in Central America. However, in the first few months of this year, there was a perceivably stronger desire on the part of Central American countries to solve conflicts through negotiations. Following the general elections, new governments have been formed in Guatemala, Honduras, and Costa Rica. They have also adjusted their foreign policies. Guatemalan President Cerezo indicated his readiness to pursue an "active, neutral" foreign policy. He also put forward a proposal on setting up a Central American parliament. Costa Rica and Honduras also expressed their intentions to improve relations with Nicaragua. On this basis, bilateral nd multilateral contacts among Central American countries have increased. After consultation, the five Central American countries have decided to hold a summit on 24 May. If the meeting is successful, it will undoubtedly inject vitality into the talks on the Central American peace treaty.

WRITERS MEETING VIEWS 'DOUBLE HUNDRED' POLICY

HK020941 Beijing WENYI BAO in Chinese 31 May 86 p 1

[Report by Shao Xi: "Chinese Writers Association Invites Some Noted Literature and Art Figures To Discuss the 'Double Hundred' Policy -- A Forum in Commemoration of the 30th Anniversary of the Formulation of the 'Double Hundred' Policy"]

[Text] To commemorate the 30th anniversary of the formulation by the CPC Central Committee of the "double hundred" principle, the Chinese Writers Association invited to a forum on 23 May some 20 noted literature and art figures due in Beijing. Chen Huangmei, vice president of the association, presided over the forum. First, he pointed out: In the 2 decades following the formulation of the "double hundred" principle, the principle was in reality not implemented. It was not until the 3d Plenary Session of the 11th CPC Central Committee that the principle was implemented in real earnest. There have since been tremendous changes in our literary work. That literature has entered a golden age of unprecedented flowering in a brief space of several years is the result of the hard work of literary workers and the outcome of the implementtion of the "double hundred" principle. He stressed that the "double hundred" principle should become a basic principle of long-term stability for making socialist literature and art flourish and should be implemented to the letter. Li Xinwu and Zheng Wanlong said: Without the 3d Plenary Session of the 11th CPC Central Committe, there would have been no real implementation of the "double hundred" policy and no unprecedented literary flowering. It is absolutely important to review and sum up both in theory and practice what we have done in the past 3 decades both in theory and in practice. Chen Huangmei and Cong Weixi said: The "double hundred" principle remains and will be in the future a principle that is closely linked with literature and art creation. Our understanding of the principle has yet to be deepened in practice. However, we must not have the slightest doubt of it, still less overlook it. Forum participants all agreed that to further implement the "double hundred" principle, it is necessary to make continued efforts to emancipate the mind. Literary workers should bring into full play the creative spirit as the masters of the country and, in particular, perfect and safeguard the implementation of the principle through creation in practice. It would not do to passively "wait, rely on, and ask" from higher authorities and also not do to rely exclusively on the leadership at a certain level or to pin our hopes on specific individuals.

Forum participants universally held: There are still some obstructions in certain aspects in implementing the "double hundred" principle. This has made our writers and critics feel and intermittent "lack of sense of security". Cong Weixi said: There have been some speicific phenomena in which "the law is replaced by authority" and "the law is supressed by authority." Meng Weizai pointed out: In literature and art work, some people adopted a pragmatic attitude toward the "double hundred" principle in varying degrees. Zheng Wanlong said: Normal criticism of the works of writers, in particular of noted writers, has been inadequately conducted. Vacillation exists in the literature and art community. Liu Xinwu said: It has become an important task for maintaining a sound and harmonious environment of literary creation to remove the obstacles to the implementation of the principle theoretically and practically.

Wu Taichang pointed out: To maintain and develop the good situation of literary flowering, the leadership and theoretical exploration are indispensable, but what is more important is the question of practice. The literature and art community itself (including writers, critics, and various publications) should make criticism and self-criticism of the phenomena that brought damage to the implementation of the "double hundred" principle and affected and disrupted the harmonious environment of literary creation.

Li Guowen, Shu Peide, Xie Yongwang, Zhang Qie, Ge Luo, Gu Xiang, Zhou Ming, Lin Wenshan, and others were also present at the forum.

PENG ZHEN ON PARTY STYLE DURING SHANXI VISIT

HK030225 Taiyuan Shanxi Provincial Servie in Mandarin 2200 GMT 2 Jun 86

[Text] During a recent inspection of work in Shanxi, Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of NPC Standing Committee, pointed out that the question of party style is an important issue at present. The key to straightening out party style lies in every party member, especially every leading party-member cadre, gaining a better idea of serving the people wholeheartedly. China's reforms are the urgent requirement of the development of social productive forces. Economic structural reform is a key task at present. He urged the party members and cadres to seek truth from facts, strengthen party spirit, eliminate factionalism, strengthen unity, and persevere in reform. They should serve the people wholeheartedly and smoothly press ahead with the cause of socialist modernization.

Comrade Peng Zhen inspected work in Taiyuan City from 26 to 31 May. He inspected factories, schools, shops, kindergartens, residential areas, and [word indistinct]. He had extensive and cordial chats with workers, residents, salesmen, students, teachers, and cadres. He listened to work reports delivered by provincial leaders Li Ligong, Wang Senhao, Wang Jiangong, Jia Jun, Ruan Bosheng, and Li Xiuren. He also visited some veteran comrades and observed the city environment. He commissioned the members of his party to convene forums in factories, villages, and propaganda, literature and art, and education units, to get to know the ideological trends and state of work in the province.

On the afternon of 30 May, Comrade Peng Zhen made a speech to cadres of the provincial organs and of Taiyuan City on the questions of party style, reform, and elimination of the remnants of factionalism. He said: The question of party style is one of the important issues for the whole party. Our party style was consistently good. However, it was seriously wrecked during the Great Cultural Revolution. The party organizations at all levels and the whole body of party members, especailly the leading cadres, must set an example and take the lead in straightening out party style. With the leading cadres in good condition, affairs at lower levels can be run well.

He said: The performance in party style is expressed in concentrated form in whether we can seek truth from facts and serve the people wholeheartedly. No matter what we are doing, we must base our efforts on reality. Our party has always sought truth from facts. Seeking truth from facts means being honest about rights and wrongs; in success or error, big is big, small is small, and things either exist or do not. During the Yanan period, the Central Pary School taught people to seek truth from facts [words indistinct]

The key thing in straightening out party style is to gain a better idea of serving the people wholeheartedly and avoid pursuit of private interests. In this way, the masses will support us.

In his speech, Comrade Peng Zhen expressed the hope that the party members and cadres would pay particular attention to sticking to principles, persevering in unity, and strengthening party spirit. They should devote all their effort to the socialist cause. He said: The Communist Party should stress party spirit. The party Constitution says that people are not allowed to pursue factionalism. To do so violates principles and wrecks unity. It does very great harm to the party. Hence, every party member must abide by the party Constitution, and maintain a high degree of ideological and political unity with the CPC Central Committee's decisions. They must wholeheartedly serve the people, uphold democratic centralism, and appoint people to posts on their merits, not on the basis of acquaintanceship. They must uphold the truth and be always ready to correct mistakes.

On the question of reform, Comrade Peng Zhen said: The most fundamental task for our party after gaining political power, and especially after consolidating it, is to carry out construction and vigorously develop the social productive forces. This has been explicitly laid down since the 3d Plenary Session of the 11th CPC Central Committee. Production relations and superstructure that do not suit the development of the productive forces must be readjusted and reformed. This is the requirement of objective developments. It is an historic inevitability. It accords with basic Marxist principles. Our current key task is to carry out construction and reform and to stimulate the development of the productive forces. The productive forces cannot smoothly develop and the superiority and vitality of socialist economy cannot be brought into full play unless reforms are carried out.

No matter how many contradictions, setbacks, difficulties, and problems we encounter in the course of reform, there will be no change in the orientation and guideline of structural reform.

He said: Reform cannot be all plain sailing. Every step we advance we will encounter new problems. We will take a big stride forward by solving these problems. When new problems occur again, we will solve them again. This is the way history develops. Some people, divorced from reality, think that everything is just fine and there are no defects at all. This is wrong, and it is also impossible.

Comrade Peng Zhen said: The more the economy is reformed, the more necessary it is to invigorate and [word indistinct] our thinking. The thinking of party members must accord with the party Constitution, while that of the citizens must be in accord with the state Constitution. Marxism is the guiding ideology for our work. Its basic principles and spiritual essence will not be (?changed).

Comrade Peng Zhen expressed great concern for factory production and the workers' daily life. At the Taiyuan [words indistinct] and Taiyuan heavy machinery plant, he urged the workers to be bold in reform and innovation, clear the way to forge ahead, and make still greater contributions to the four modernizations.

Visiting a number of shops in a residential area [words indistinct], he made detailed enquiries [words indistinct], urged them to improve service quality, help the people in their daily life, and serve the people well. Visiting residents' homes, he [words indistinct]. He said to members of his party and to leading comrades of Taiyuan City; we must constantly serve the people, and show concern for their daily life and for their opinions, and thus do our work well [words indistinct].

Comrade Peng Zhen also visited the organs of the provincial People's Congress Standing Committee and saw all the work personnel there. He expressed the hope that [words indistinct] and play a still greater role in developing socialist democracy and putting the socialist legal system on a sound basis. Before leaving Taiyuan, Comrade Peng Zhen met [words indistinct] of Houma City. He expressed the hope that they would unite, work hard, and build his hometown into a [words indistinct].

He said: The party's historical experiences prove, and local experiences also prove, that unity is victory, and failure to unite means [words indistinct] heavy losses. At present factionalism is the biggest problem hampering unity. We must eliminate it in accordance with the principles of the party Constitution. Leading comrades of the province and city saw Comrade Peng Zhen off at the railroad station...

HU YAO BANG'S STYLE CONTRASTED WITH BUREAUCRATS'

HK310341 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 30 May 86

["Today's Talk" article by (Jiang Chenggong); "Thoughts on the General Secretary's Three Visits to Gansu"]

[Text] Comrade Hu Yaobang has visited Gansu three times in only a few years. He has been to 14 prefectures and cities. Although he is busy with so many things as a party leader, he has still allotted time to going deep into reality to investigate and study. This work style of ignoring fatigue and keeping in close touch with the masses is really admirable. It is regrettable that certain leading cadres put on many airs although their positions are not particularly high. They lord it over everyone, fear hardship and annoyance, and are unwilling to go down to the grass roots to find out the situation and solve problems. They are content to listen to reports, read materials, issue instructions, and circulate documents. This bureaucratic work style seriously hampers party work. We are now in a new era of economic reform. All kinds of new situations, experiences, and problems are contantly arising. We have to study and solve them. Comrade Hu Yaobang has set us a fine example in this respect. We hope the cadres at all levels can follow this example, and make greater effort to go deep into reality and into the grass roots. In this way their work will improve.

LI XIANNIAN APPOINTS, DISMISSES DIPLOMATS

OW022350 Beijing XINHUA Domestic Service in Chinese 1050 GMT 2 Jun 86

[Text] Beijing, 2 Jun (XINHUA) -- In accordance with a decision made by the NPC Standing Committtee, PRC President Li Xiannian has appointed and dismissed a number of diplomatic personnel. The appoints and dismissals are:

1. Fan Guoxiang [5400 0948 4382] appointed PRC alternate representative to the permanent mission at the UN office in Geneva and to other international organizations in Switzerland, and ambassador plenipotentiary for disarmament affairs; Gian Jiadong dismissed from the office of PRC ambassador plenipotentiary for disarmament affairs; 2) Huang Zhen [7806 218] appointed PRC ambassador plenipotentiary to the Democratic Republic of Yemen; Tang Yong dismissed from the office of PRC ambassador plenipotentiary to the Democratic Republic of Yemen; and 3) Tian Changsong [3944 7022 2646] appointed PRC ambassador plenipotentiary to the Kingdom of Lesotho, Mou Ping dismissed from the office of PRC ambassador plenipotentiary to the Kingdom of Lesotho.

HU QILI VIEWS REFORM ISSUES IN LIAOWANG

HK020304 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1045 GMT 1 Jun 86

["Hu Qili Says Unhealthy Trends Can Only Be Curbed Through Further Reform and Opening Up" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 1 Jun (ZHONGGUO XINWEN SHE) -- Only by making further efforts to carry out reform, open up, and develop the commodity economy and to create an equitable environment for competition will it be possible to curb the unhealthy trends. This is a new idea put forward by Hu Qili, member of the Standing Committee and of the Secretariat of the CPC Central Committee.

He explicitly put forward the above idea for the first time when refuting the argument "the root of the unhealthy trends lies in reform and opening up." His speech will be carried in LIAOWANG No 22, to be published tomorrow.

Some people hold that it is due to reform and opening up and to the influence of capitalist ideas that cadres engage in trade and run enterprises. Hu Qili said: Under the laws of the developed capitalist countries, government officials are prohibited from engaging in trade. Whoever engages in trade will be regarded as being involved in scandal. If something should go wrong, they will have to leave office; some may also be imprisoned. Therefore, the fact that cadres engage in trade is a pernicious influence of semifeudal and semicolonial bureaucratic capitalism and is a special phenomenon under the insufficiently-developed commodity economy.

With regard to the "network of relationship" bitterly hated by all people, some people say that it is caused by opening up and economic invigoration. Hu Qili holds that this is not in keeping with the fact. He said: First, this phenomenon existed long before opening up and economic invigoration; second, given a developed commodity economy in capitalist countries, kinship and clanship are not important and the relationship between people is an undisguised relationship of money. The "network of relationships" that exists in our society has precisely developed from the Chinese economic basis with a profound feudal influence and very undeveloped productive forces. For this reason, it is neither the reform nor the opening up that has brought about the network of relationships. On the contrary, only by making further efforts to carry out reform and open up will it be possible to genuinely smash the network of relationships.

Stresses Harmonious Environment

HK020306 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1342 GMT 1 Jun 86

["Hu Qili Advocates Creating a Democratic, Harmonious, and Friendly Government" -- ZHONGGHOU XINWEN SHE headline]

[Text] Beijing, 1 Jun (ZHONGGUO XINWEN SHE) -- When holding a heart-to-heat talk with intellectuals in Shanghai, Hu Qili advocated that in literature and art creation and theoretical studies, it is necessary to create a democratic, harmonious, and friendly environment and an atmosphere of mutual understanding, trust, and support and of wholehearted dedication to the same cause.

Hu Qili's speech will be carried in LIAOWANG No 22, to be published tomorrow. In December 1984 he was enthusiastically supported by writers when, on behalf of the CPC Central Committee, he put forward the principle of creative freedom in his address to the fourth congress of the Chinese Writers' Association.

Today he again stressed: It is necessary to uphold creative freedom and to allow writers and artists to depict life according to the law of art.

Hu Qili said: There is one way that we can live up to our words. We will not launch any mass movements, resort to big sticks, stick political labels on people, nor make people the targets of criticism or attack. The problems of literature and art creation cannot be handled through administrative decrees or measures. There may be some criticism after a work has been published, but this is a normal practice of discussion which helps raise literature and art works and enliven creative ideas and in which there are not big sticks, still less knives.

After reviewing the historical lessons of launching mass movements and resorting to big sticks in the past, Hu Qili indicated: We should encourage all people to genuinely voice their innermost feelings. On hearing criticisms, particularly sharp criticisms, we should not turn to investigating, placing a case on file, looking into the matters, and attacking and supressing people. These abominable practices should no longer be allowed.

HU QILI AFFIRMS REFORMS TO BE CONTINUED

OW010315 Beijing XINHUA Domestic Service in Chinese 1504 GMT 30 May 86

[By RENMIN RIBAO reporter Zhang Mingqing and XINHUA reporter Wang Weizhong]

[Text] Fuzhou, 30 May (XINHUA) -- Resolute and unremitting efforts should be made to conduct the reformation on a full scale, and attention paid to protecting the enthusiasm of cadres and masses in doing this, said Comarde Hu Qili on his inspection tour in Fujian Province.

Hu Qili spent 4 days inspecting the Xiamen Special Economic Zone and factories in Putian and Fuzhou Cities after giving a send-off to Australian Prime Minister Hawke in Xiamen on 24 May. Chen Guangyi, secretary of the Fujian Provincial CPC Committee, briefed him on the work of reform and construction carried out in Fujian Province.

On this inspection tour, Hu Qili stated his opinion about reform, in particular. He said: During the past few years, the work of reform has developed from rural areas to urban areas and extended to such areas as science and technology, education, and the building of the socialist spiritual civilization. This is a process of full-scale reform, involving people's ideology and the superstructure. As such, the work of reform in various fields should be well coordinated. We have made a very good beginning and should firmly carry on the work. At the moment, we are confronted with many new problems, which can be solved only by furthering the reform. Persistence in blazing new trails and making exploration is the only way out, while it is hopeless to take the road of retrogression. He pointed out: During the Sixth 5-Year Plan, the Fujian Provincial CPC Committee insisted on implementing the open and reform policies and carried out a plan to develop both the coastal and mountainous areas with a view to exploiting the province's sea and mountain resources. These efforts are good and should be continued with perseverance. Not long ago when work was handed over from the old to the new principal leader of the provincial CPC Committee, both went deep into the grass roots, and the former gave the latter on-the-spot briefings on what was going on. The result of this was very good.

Some grass-roots cadres complained that it was hard for them to carry out their work because of the unnecessary haggling and shifting of responsibilities between departments. Referring to this, Hu Qili said: Our leading cadres at all levels should uphold the idea that "to lead is to serve."

In some cases, it is necessary to promote the practice of going to the spot to do the work. This means that the leader should to go that area and ask the responsible comrade concerned to study the problem with him and solve it there instead of relying on the "time-consuming transmission of documents." In dealing with unhealthy trends and cases of violations of the law and discipline, the provincial CPC Committee should seek truth from facts and, on the basis of the policy, draw a clear demarcation line between what should be punished and what should not. Whoever does violate the law and discipline must be dealt with seriously according to the law. On the other hand, it is necessary to protect enthusiasm about reform among the vast numbers of cadres and masses and to be careful in handling the cases of mistakes caused by lack of experience.

QIANG XIAOCHU ON RECTIFYING PARTY STYLE

OW300523 Beijing XINHUA Domestic Service in Chinese 1546 GMT 28 May 86

[Text] Beijing, 28 May (XINHUA) -- Qiang Xiaochu, secretary of the CPC Central Committee's Discipline Inspection Commission, addressed the meeting among central state organs on rectifying party style which ended today. He said: This meeting has been in session for 2 half-days and 17 units gave oral or written reports. Central state organs have done a great deal to rectify party style and correct unhealthy tendencies. Their marked achievement is a good beginning for making further efforts to achieve a fundamental turn for the better in party style. He then emphatically pointed out: We will certainly accomplish the mission, assigned by the CPC Central Committee, on improving the party style and the general social mood if leading comrades of party committees personally take charge of the work, if we pay great attention to correcting unhealthy practices of trades and industries when we investigate and deal with major and important cases, if we conduct good ideological and political education among party members, if we implement still better the CPC Central Committee's many instructions, and if we constantly sum up new experiences, adding to the achievements and overcoming our shortcomings.

Qiang Xiaochu said: Enlightened and influenced by the fact that central organs were required to be models in improving party style, leading party and government comrades in all regions and departments, like those in central state organs, all attached importance to the task of improving party style. Nearly all party committee secretaries personally took up the task and other members helped them out. Each level guided the immediately lower level in improving party style, leading to the emergence of the good situation of example being better than instructions. Many units and departments set up leading groups for improving party style. Where there were major and important cases, units and departments increased personnel and formed teams to deal with these cases. These teams, led by responsible comrades of the units and departments, solved these cases quickly and their performance was good. Their understanding unified, their steps in unison, their mutual coordination effective, the Central Discipline Inspection Commission; the central organs' Leading Group for Rectifying the Party Style; central public security, procuratorate; and judicial organs; the party committee of organs directly under the CPC Central Committee; the party committee of central state organs; the party committees of all ministries and commission; and Beijing Municipality greatly increased their capability to handle major and important cases, combining still better the applications of party and government discipline and state laws.

In short, after 5 months of hard work since the 8,000-man meeting, party members at large and the masses were dynamic and gained the self-confidence to rectify style. Now this task is developing more extensively, intensively, and healthfully in both central and local units.

Touching on the major and important cases, Qiang Xiaochu said: Since the 8,000-man meeting, central state organs, Beijing Municipality, and a number of localities have seriously investigated and dealt with a large number of major and important cases. Of the major cases handled by the Central Discipline Inspection Commission, about 90 percent were economic cases. There were also major cases of fraud in the political and the scientific and technical fields. In the past 5 months the public security, procuratorate, and judicial departments arrested and punished according to law a number of grave criminals. Some party-member cadres (including a small number of leading cadres at the ministerial and bureau levels) were seriously punished according to party and government discipline for their grave mistakes. The major cases with a nationwide impact included the Guangyu Company of the Ministry of Astronautics Industry, which illegally bought and sold imported television components and bought foreign exchanges at high prices; the case of Zhou Erfu, who impaired the national dignity and his own personality by seriously violating foreign affairs discipline; the case of Zhang Changsheng and Ye Zhifeng, who leaked state secrets and took bribes; the case of Chen Ziaomeng, Hu Xiaoyang, and Ge Zhiwen, rapists and hoodlums; the case of swindler Du Guozhen; and the case of the Farm and Land Reclamation Department's Agriculture-Industry-Commerce Corporation, for illegally selling foreign exchange, rolled steel, automobiles, and color television sets. These major typical cases with educational value were made public. Reaction at home and abroad to the announcement of these cases has been good.

From investigations and punishment of major and important cases, the masses saw reason to hope for improvement in party style and the general social mood and their respect for trust in the party was enhanced. This is the ideological basis for achieving the fundamental turn for the better in party style and the general social mood. It is also the most favorable condition for us to perform the task of discipline inspection.

Qiang Xiaochu said: While investigating major and important cases and punishing criminals involved, we must also work even better to correct the unhealthy tendencies among leading organs and leading cadres. Major and important cases are small in number, after all. Not all departments and units have major and important cases. Yet, unhealthy practices verying in degrees of seriousness do exist in all departments and units. Therefore, in these units we must carefully investigate other matters that seriously impair party style and violate party discipline, in particular, the unhealthy practices characteristic of their respective units and operations. By so-called unhealthy practices of trades and industries, we mean such obnoxious practices as willfull blackmail and extortion for the purpose of pocketing personal gain on the strength of their operations and positions as their respective units and operations have the characteristic, or the so-called "advantage," of being in contact with the whole society. They commit such acts by taking advantage of their operational condition or the special power of being in charge of personnel, finances, and materials. Different lines of operations have different forms of unhealthy practices which have the same consequence -- harm to the state and people. Some people of some units, taking advantage of the special power of positions, demand and accept bribes, and give people hard times by forcing them to hold dinners or give presents.

Some departments have reported: The building trade asks for prices at will, gives false estimates, and subcontracts projects to others for easy profits.

The commercial department sells commodities for private gain, hoards commodities in short supply, forces customers to buy unsalable goods along with whatever they buy, passes inferior goods off as quality goods, and demands kickbacks; the railway department loads and unloads cargos extremely carelessly, treats passengers brutally, charges passengers and increases prices illegally, and seeks private gains through "coaches" -- whoever gives bigger tips gets cargo coaches; the power department capitalizes on customers' urgent need for power supply and practices extortion, and cuts off the power supply if customers fail to satisfy its demand. Particularly worthy of notice is that in some leading party, government, and military organs, there are some who, abusing the power of being in charge of organizational work or personnel, engage in malpractices in such matters as "admission to the party, promotion of cadres, going abroad, and granting academic degrees."

Qiang Xiaochu said: Now a number of central departments and Beijing and other areas have done a great deal of work in correcting these unhealthy practices and achieved comparatively good results. Yet not all trades, departments, and units have attached importance to this problem, either in action or in understanding. Therefore, there is the need to study again, understand again, and make more improvements regarding the task of correcting the unhealthy practices in various trades and departments. At the same time, responsible comrades of all departments should go among the masses to listen to more of their complaints and then correct the various malpractices of their respective trades and departments, then sum up experience and make improvement continuously.

On the task of rectifying party style in future, Qiang Xiaochu said: Judging from the experiences reported to this meeting, the foremost task from now on is to further strengthen the party's leadership. Party organizations and leading comrades at all levels must unswervingly attend to the task of retifying party style and adhere to the principle of promoting both socialist material and spiritual civilization so that economic work and the work to rectify party style supplement and complement each other and are both successful. It must be pointed out that the views of placing rectification of party style in opposition to both reform and the policy of opening to the outside world are wrong. The purpose of our rectifying the party style is to conduct reform still better and open ourselves to the outside world in order that economic construction proceeds smoothly and that the sound development of the socialist material and spiritual civilization is ensured.

Second, it is necessary for leading organs and cadres to play an exemplary role in rectifying party style. Experience shows that units with widespread unhealthy tendencies are inevitably plagued with problems involving leading cadres' impure party spirit and unhealthy style. The focal points of rectifying party style should be party members who are leading organs and cadres. Leading cadres should first examine for themselves problems concerning power abuse, and set a good example for grass-roots cadres, which is more effective than anything else. At the same time, they must assist party organizations at various levels to earnestly handle the masses' complaints about unhealthy tendencies. It is a heartening phenomenon that more and more people dare to stand up to resist and oppose unhealthy practices. We must use the situation optimally to encourage the masses to speak out, and must accept their supervision and criticisms, thereby fully relying on the masses to correct unhealthy tendencies.

Third, it is necessary to uphold the principle of party spirit and reinforce party discipline. Unhealthy tendencies are, in most cases, entangled with deep-rooted "connection networks," and some major and serious cases are protected by thick layers of resistance and interference. Therefore, we must perform our duty honestly and selflessly, and dare to tackle tough cases regardless of the position and seniority of persons involved. We must thoroughly investigate and bring to light the whole case. We should by no means dodge contradictions and try to skirt round difficulties and smooth things over at the expense of principle. Instead, we should uphold the principle, be fearless of everything, and dare to smash connection networks. Whoever violates party discipline and state law, regardless of "background," should be given disciplinary action, expelled from the party, or punished according to the law, to ensure that laws are strictly and impartially enforced.

Fourth, it is necessary to stress the policy. Investigation and handling of cases involving unhealthy tendencies is a complicated task with strong policy considerations. It is necessary to steadfastly carry out the task while adhering to a realistic scientific attitude in stressing the policy. We must draw a clear line between mistakes caused by a lack of experience in the course of opening to the outside world and making reforms on the one hand and violations of law in exploiting loopholes of reform on the other. We should neither regard unhealthy practices in general as criminal activities nor defend crime in the name of unhealthy tendencies, and should neither regard bureaucracy in general as crime nor use bureaucracy as a pretext to cover up or whitewash crime. It is also necessary to draw a line of demarcation between normal economic exchanges and unhealthy practices, neither regarding standard entertainment according to regulations as an unhealthy tendency nor covering up unhealthy practices under the pretext of "normal economic exchanges."

Fifth, it is necessary to use both typical positive and negative examples to conduct education in party spirit, style, and discipline among party members in order to raise the political awareness of the entire party membership. Completion of investigation and handling of a case does not mean an end to the work. We should draw lessons from the case and conduct vivid and effective education in party spirit, style, and discipline among party members in order to strengthen their immunity against unhealthy tendencies and enhance their political integrity and professional competence.

BO YIBO ADDRESSES PARTY RECTIFICATION MEETING

OW011348 Beijing XINHUA Domestic Service in Chinese 1032 GMT 31 May 86

[Text] Nanjing, 21 May (XINHUA) -- The Central Commission for Guiding Party Rectification recently held a forum on party rectification of six coastal provinces and municipalities. The meeting emphatically pointed out: Party rectification in rural areas of economically developed coastal regions must be done well, and party rectification must forcefully promote and ensure rural reforms. The more our economy becomes invigorated and developed, the more we should adhere to a principle of managing the party strictly; educate and strictly manage the vast number of rural party members; and make them play a supporting, exemplary, and leading role in rural reforms and development. The persons in charge of party rectification of the party committees of Shanghai and Tianjin Municipalities and Jiangsu, Zhejiang, Guangdong, and Fujian Provinces attended the meeting.

Bo Yibo, permanent vice chairman of the Central Commission for Guiding Party Rectification, presided over the meeting.

He pointed out at the meeting: We should not think that economic invigoration and development necessarily create unhealthy tendencies. However, under the excellent situation of a brisk economy, we should indeed keep a clear head and pay attention to correcting in good time any negative phenomena that disrupt reforms and economic development. In party rectification, the rural areas of coastal regions should create their own special practices and experience in consideration of the fact that their economy is more vigorous and developed. He also said: "Rural party rectification should inspire a revolutionary spirit among the vast number of rural party members and arouse their enthusiasm for leading the masses in becoming well-to-do by working hard. Rural party members should resolutely act in accordance with the principles of party spirit and observe discipline and law, be they engaged in farming, manual work, business operation, or other work alike."

The forum was held in Nanjing from 23 to 29 May. The participating comrades conducted serious discussions and exchanged views on how to do an even better job in party rectification in rural reas of coastal regions. They held that the rural areas of coastal regions are in a very good situation in terms of opening to the outside world, economic invigoration, and reform, but rural areas also have many problems. They said that during party rectification, the rural areas should strengthen their leadership, rely on the masses, and strive to solve some problems in inner-party life that should be solved, with emphasis on solving the serious problem of some cadres with party membership who abuse their power to seek private interest and violate law and discipline. The participants also pointed out: As the economic development in the rural areas of coastal regions is uneven, there are still some localities where the economy is comparatively backward and the problems are different from place to place in the rural reas. For this reason, different localities should be given different guidance according to their actual situation during the party rectification.

The participating comrades held: The current party rectification in the rural areas is very important. If party rectification there is successful, its significance and influence will be very profound and far-reaching. We must strive to make party rectification a good starting point for strengthening party building in rural areas during the new period. To build a modern, socialist new countryside is a long-term task. To meet the needs of the task, we should persist in building rural party organizations for a long time and constantly strengthen them ideologically and organizationally and in work style and discipline. To appraise the results of the current party rectification and future party building in rural areas, we should mainly check whether rural party organizations have enhanced their fighting power and whether the vast number of rural party members are truly playing an exemplary vanguard role and are actively leading the masses in taking the road of common prosperity in the course of reform, opening to the outside world, and invigorating the economy.

Bo Yibo addressed the meeting on the afternoon of 29 May. On behalf of General Secretary Hu Yaobang and the Central Commission for Guiding Party Rectification, he first gave his cordial regards again to the leaders of the party committees at all levels, staff members of the party rectification offices, and the party rectification liaison officers, inspectors, and lecturers who have been working hard and made tremendous achievements in party rectification. Then, he discussed three questions on how to firmly do a good job in party rectification in rural areas.

Explaining again the relationship between party rectification and reforms, he said: In order to ensure and promote reforms, we should unify our thinking; constantly enhance our understanding of the reforms, opening to the outside world, and economic invigoration; and constantly overcome negative phenomena that hurt, obstruct, and undermine reforms. It is wrong to think that party rectification conflicts with reforms and that our efforts to rectify party organizations and correct unhealthy tendencies will adversely affect reforms. Party rectification and reform supplement each other, and neither should be overemphasized at the expense of the other. On the problems that should be solved during the party rectification in rural areas, Bo Yibo said: During the party rectification in rural areas, we should pay attention to eliminating both "left" influence and rightist stuff. We should effectively enhance the party members' ability to resist the corrosion by decadent capitalist and feudalist things. We should pay attention to investigating and handling major cases, and strive to correct and sternly deal with serious unhealthy tendencies, law violations, and crime. The third question which Bo Yibo discussed was how to build the leading bodies of township and village party organizations. He said: This is an important task in organizational consolidation during the current party rectification in rural areas. We may say that it is a task of prime importance. Good township and village leading bodies can fully play their role in rural reform and development. This is something of a decisive significance.

Present at the meeting were Chen Yeping and Guo Jian, members of the Central Commission for Guiding Party Rectification, and Li Lian, director of the general office of the commission.

LIAOWANG URGES YOUNG CADRES TO HAVE PRINCIPLES

HK310944 Beijing LIAOWANG in Chinese No 20, 19 May 86 p 4

[Commentator's article: "Uphold Principles, Do Things Impartially"]

[Text] In the past 2 years, a large number of young cadres were promoted to leading positions at all levels. They are working hard in the hope of creating a new situation. However, some of them are often disturbed by some "difficult things." For example, some are troubled by their family members of relatives who want to gain special and preferential treatments from their powers; some are asked by their former schoolmates or fellow villagers for advantages; and some are faced with the unreasonable demands from their former leaders and superiors. If they do not satisfy these demands, they may be denounced as "turning their backs on their own flesh and blood," "refusing to have anything to do with their old friends," and "disdaining their former leaders and seniors." These "difficult things" have indeed become a tough test for these young cadres who are still new hands in the leading posts, and they will have to consider whether they should act strictly according to the set principles and handle things impartially or satisfy those unreasonable demands in consideration of the old relationships. Of course, only the former is a correct attitude and practice.

Acting according to the party's principles reflects the party spirit of a Communist Party member, and is also a character and style that a party cadre must have. Among the party's principles, the most import one is to serve the people wholeheartedly. According to this principle, the basic and sole purpose of the performance of our official functions is to serve the people, to hold us answerable to the people, and to put the interests of the people above everything.

If our cadres handle things according to their old relations and give special advantages to a small number of people, they will violate the interests of the majority of people and violate the party's principles and party discipline, and such practice is incompatible with the impartial and just-holding character that all party cadres should have.

Now, most young cadres can properly act according to the party spirit principles, but a small number of comrades still have deficiencies in this regard.

After taking office, young cadres are always enthusiastic for their work, but they lack experience in properly handling complicated human relationships. Sometimes, they even incorrectly think that in order to smoothly advance their work, they have to satisfy the extra demands of a small number of people, who may give them the conveniences they need. They think that this is not "too serious" and can just smooth out the way ahead. In fact, this idea is naive and dangerous. The development of things will very probably be contrary to what they imagine. Once they make a concession on an issue of principle and create a precedent, the unprincipled demands for special advantages will certainly be made on them one after another unceasingly. Thus, the irregularities will certainly spread and arouse the resentment of most people. As a result, the cadres themselves will fall into an embarrassing position and lose their prestige. No one will obey their ofers and support their work, and they will go nowhere. On the contrary, many new cadres act strictly according to the party spirit and the correct principles. Although they also encountered some difficulties when they began to handle their new work, they eventually created a good situation in which the leading bodies enjoy the people's trust and have become very popular because they always behaved in an upright and impartial manner and always used their power to seek benefit for the public. These cadres themselves have also made good progress in their new leading posts. Their successful experience should be spread and all new cadres should learn from them.

Now, some comrades disregard principles and are keen on making use of their personal connections. There are a number of reasons for such a phenomenon: First, they do not realize that our party is developing in the course of continuously solving contradictions, so they are afraid of contradictions and are trying to evade them. We should notice that some people are now tainted with serious egoism and they place their personal interests above the party's interests and thus seriously harm the interests of the people. When facing this kind of contradiction, we must not be weak and must not yield an inch; instead, we must assume an unambiguous and serious attitude to deal with such contradictions justly and forcefully. Second, some cadres offer special advantages in an unprincipled way, because they also cherish some selfish ideas and personal considerations. When a new cadre takes office, the party organization and the masses all place hope on them and expect that they will be able to create a new situation and render meritorious service to the party and the people. However, some of their old friends and relatives may also try to gain advantages from their powerful positions, and unprincipled demands may be made on them from all areas of their social relations. Under these circumstances, some cadres may not be able to handle things in a principle and impartial way as they consider their personal interests.

Young cadres should not too generously tolerate their own involvement in irregularities by offering lavish advantages to other people in an unprinciples way.

On the contrary, they should always set strict demands on themselves and consciously strengthen their party spirit in the course of performing their official functions. They must not let down the party and the people who trust them and have confidence in them. Party organizations at all levels should also help these new cadres grow healthily. Once they find that a new cadre is tainted with bad work style, the party organization concerned should promptly warn him and effectively help him mend his ways.

When unhealthy tendencies still exist inside the party, it is not easy to act strictly according to the party spirit, because this may touch all sorts of "networks of connections" and annoy some people whose selfish desires cannot be satisfied. Those people may even make use of their powers and functions to attack good cadres who are honest and upright. However, a true revolutionary should be a firm defender of the party's principles. In order to prevent the interests of the party and the people from being violated, he should dare to take risks and give no thought to his personal gains and losses, and must not make any concession to the evil thing. At present, the times have changed. We should believe that the healthy force inside the party will eventually overcome the corrupt things among its ranks. Comrade Deng Xiaoping is correct in saying: "Young and middle-aged comrades should carry forward the old comrade's heroic spirit of persevering in the revolutionary orientation when they succeed to their leading posts. This is the most important thing." Young cadres should never forget their historical mission and must not let the party and the people down.

RENMIN RIBAO REVEALS CASE OF OFFICIAL TAKING BRIBES

HK030201 Beijing RENMIN RIBAO in Chinese 30 May 86 p 4

["Newsletter" by reporter Hong Tianguo: "Falling to Destruction After the String Has Broken -- The Lesson of the Case of Chen Jinhuo Taking Bribes"]

[Excerpts] Chen Jinhuo was out-and-out a low-level official. First, he was a deputy section chief of Xiamen Export and Import Office Professional Section; later, he was appointed vice manager of the trade department, Sanjiang Trade Development General Corporations, Xiamen SEZ [special economic zone]. However, cadres at the section level like Chen Jinhuo have something solid in their hands -- substantial power.

The substantial power in Chen Jinhuo's hand was linked with the import and export profession. His job was negotiation and signing contracts, with large number of businessmen depending on him. With his signature "Chen Jinhuo" could decide a transaction of several million yuan in trade, affecting the sum of money flowing into, or pouring out of the pocket of some businessman. Relying on such substantial power, many people loyal to their posts are doing helpful work to the state and the people; but some weak-willed people have committed crimes in injuring the public to fatten their own purses.

Chen Jinhuo took the latter road. This government official, who used to have a scarlet scarf around his neck when he was 10, a CYL badge pinned on his shirt at 13, and solemnly took the oath to become a communist in front of the party banner at 21, has been reduced to becoming a prisoner of the People's Republic within the short span of 3 years.

Beginning from January 1986, Chen Jinhuo began serving his long term in prison. That was because he had taken more than 48,000 yuan worth of bribes, and was directly responsible for tax evasion amounting to 576,000 yuan in the import profession.

FACTORY DIRECTOR RESPONSIBILITY SYSTEM DISCUSSED

HK010728 Beijing RENMIN RIBAO in Chinese 29 May 86 p 1

[Interview with "a responsible person" of the State Economic Commission by a RENMIN RIBAO reporter; date not given]

[Text] Question: Much has been said about the factory director responsibility system, especially over the past few months. What do you think of this?

Answer: The "Decision of the CPC Central Committee on Economic Structural Reform" points out: "Modern enterprises have a minute division of work, a high degree of continuity in production, strict technological requirements, and complex cooperation relations. It is therefore necessary to establish a unified, authoritative, and highly efficient system to direct production and conduct operations and management. This calls for a system of the director (manager) assuming full responsibility." Only by implementing the factory director responsibility system can we put an end to the situation in which gvernment administration is mixed with enterprise management, party leadership is not separate from government administration, and no one is willing to, has the right to, or can take charge of enterprises. Naturally, in the course of implementing the factory director responsibility system, it is necessary to make a further study of the revelant theoretical problems and to further perfect the measures and methods concerned. It is normal to discuss such a major issue. In practice,however, we must follow the "decision." We must not waver in the least on this point.

Question: What results have been achieved in the trial implementation of the factory director responsibility system over the past 2 years?

Answer: In May 1984, the offices of the CPC Central Committee and the State Council issued a circular demanding that state-run industrial enterprises implement the factory director responsibility system on a trial basis. Over the past 2 years, trial implementation work has proceeded healthily and marked results have been achieved. They can be listed mainly as follows:

1. The number of enterprises implementing the system on a trial basis has gradually increased. By the end of 1985, enterprises all over the country trial implementing the factory director responsibility system numbered 27,758, of which 20,802 were enterprises owned by the whole people, accounting for 44.3 percent of the country's budgeted state-run industrial enterprises. A survey on the enterprises trial implementing the system reveals that the majority of these enterprises are good or fair.

2. The enterprises trial implementing the system have gradually straightened out the relationship between the party, the government, and the workers, thereby making improvements in "three aspects." Factory directors have initially exercised unified leadership over and assumed full responsibility for production, management, and operations.

The enterprises' party committees have begun to tear themselves away from administrative routine and to concentrate their efforts on ensuring and supervising the ideological and organizational building of the enterprises' party committees as well as on carrying out ideological and political work among their staff members and workers. The staff and workers congress system of the enterprises has been gradually established and perfected, and the democratic managerial rights of the staff members and workers have been expanded.

3. Economic results have been improved. According to an analysis of the material obtained from an investigation, most of the enterprises have met the economic and technical norms for product quality, material consumption, gross industrial output value, profits, and taxes.

4. The trial implementation of the system has helped the enterprises promote a full set of reforms. Most of the enterprises have implemented the system of factory directors being responsible for fulfilling the targets set for their term of office. This helps perfect the enterprises' economic responsibility system as well as promote the reform of their organs, their cadre system, and their labor organization.

Question: What are the main problems in the course of implementing the factory director responsibility system? How will these problems be solved?

Answer: There are two main problems in the course of trial implementing the system: One is the enterprises' decision-making power over operations, and the other is the factory directors' right to appoint and dismiss the middle-ranking cadres of the enterprises. Without the right to make quick responses to market changes, to make decisions according to these changes, or to "deploy his forces," a factory director will be unable to take charge of the production and operations of the enterprise concerned; still less can the factory director responsibility system be put into effect. On this problem, a leading comrade of the State Council explicitly pointed out: "We would like to reiterate that factory directors of units implementing the factory director responsibility system have the right to appoint middle-ranking cadres of the units. This will remain unchanged." What the leading comrade of the State Council said was quite explicit, and we should resolutely put it into effect. Of course, while appointing middle-ranking cadres and making decisions on operations, factory directors should listen to all opinions to avoid carelessness and faults.

Question: What is the key to implementing the factory director responsibility system well?

Answer: There are two important points: One is to improve ideological understanding. The shift from putting the factory director responsibility system under party committee leadership to implementing the factory director responsibility system is a major reform of the enterprise leadership system. In the course of this reform, various types of understanding, opinions, and problems have cropped up. In the process of trial implementing the system, it is necessary to improve ideological understanding. In action, however, we must resolutely abide by the "decision." Now 27,000 enterprises are trial implementing the system. Vacillation in action will produce an unfavorable impact on production and even on the entire economic situation.

The other is the quality of factory directors and party secretaries. Practice has proved that in implementing the factory director responsiblity system, it is necessary to select and appoint good factory directors and party secretaries in accordance with the CPC Central Commitee's requirements for the "four transformations" of cadres. Factory directors and party secretaries should take the interests of the whole into account, support each other, and cooperate with each other. Bearing in mind the party's cause, they should be responsible for enlivening their enterprises and improving the operation and quality of their enterprises. This, of course, calls for appropriate regulations. The CPC Central Committee and the State Council are now revising the "three ordinances" (that is, the ordinance on the work of factory directors, the ordinance on the work of the basic-level party organizations in state-run enterprises, and the ordinance on the work of staff and workers congresses) and drafting the "law on state-run industrial enterprises," which will ensure the factory director responsibility system in a legal form.

RENMIN RIBAO COMMENTATOR ON ENRICHMENT POLICY

HK010614 Beijing RENMIN RIBAO in Chinese 27 May 86 p 2

[Commentator's article: "The Party's Policy of Enriching the People Will Not Change"]

[Text] "I believe the party's policy of enriching the people will not change." What a striking idea!" This not only states the confidence of the specialized household of "grape-grower Song" in the party's policy of enriching the people, but also expresses the same conviction held by thousands upon thousands of specialized households and hundreds of millions of peasants. Such resolute confidence and conviction are the basics for undergoing further reforms in the countryside and are the powerful motivating force for developing the rural areas. Our cadres engaged in rural work should set great store by such a spirit of the masses.

Hundreds of millions of peasants earnestly support the party's policy of enriching the people. This is because they have a better understanding of the poolicy gained through practice since the 3d Plenary Session of the 11th CPC Central Committee. In recent years, rural reform and development have pursued a winding course, but the policy of enriching the people, which has been defined in line with the main purpose of the party, has remained unchanged and will not change. It has achieved tremendous success in the course of execution and has won the support of hundreds of millions of people. No force on earth can change this historical trend of enriching the people. It is absolutely necessary to give widespread and strong publicity to the situation inside and outside the party.

If the policy of enriching the people is being successfully carried out, then why do a small number of peasants in some aras sometimes worry "whether the party's policies will change or not?" Recent developments in our country show that this is mainly because leaders in some areas and departments do not accurately and steadily carry out the party's rural policies, or even distort them. Because of their flashy style of work, in the course of carrying out these policies they shift first to the left, then to the right, or impose "uniformity" in work. For example, whenever attention is called to common prosperity, they do not dare to encourage some people to get rich ahead of others. Whenever attention is paid to improving the system of economic cooperation, they think it is better to merge household businesses into the cooperative system as quickly as possible and that the individual economy is no longer greatly sought after and specialized households are no longer well liked, and they even promote cooperation in defiance of the principle of voluntariness.

Whenever attention is paid to agriculture, they hesitate to develop town enterprises and service trades. Whenever stress is placed on the importance of grain production, they become overly cautious in devloping diversified economic activities and the planting of cash crops. Such vacillation in implementing the party's policies and developing economic work undoubtedly creates anxieties among a small number of peasants.

Practically, peasants understand the party's policies by means of the work of cadres around them. Publicizing the party's policy of enriching the people among the peasants is certainly important, but what is more important is the practical deeds of large numbers of our cadres engaged in rural work in implementing the party's policies. "Grape-grower Song" firmly believes the party's policy of enriching the people only because leaders of the CPC committees at the county, town, and village levels unswervingly carry out the party's policies of supporting specialized households and developing commodity production. If we can embody the party's rural policies with our own deeds as does Song Zexi, secretary of the CPC Committee of the village where "grape-grower Song" lives, we will certainly win heartfelt confidence from more and more people like "grape-grower Song." Thus we will be able to unite all the peasants that can be united to achieve the goal of making our country strong, our countryside prosperous, and our people rich.

PROGRESS IN GUANGDONG'S AFFORESTATION NOTED

HK310855 Beijing RENMIN RIBAO in Chinese 24 May 86 p 1

[Report: "Thousands of Households in Guangdong's Zhaoqing Prefecture Engage in Afforestation"]

[Excerpts] Several hundred thousand poeople plunged into afforestation in the mountain areas of Guangdong's Zhaoqing prefecture at the turn of the year. By late March, the prefecture had planted trees on an acreage of more than 1 million mu, and nursed saplings on the same acreage. This is a new phenomenon rarely seen over the years, and the result of Zhaoqing relaxing the policy on afforestation in the mountain areas, implementing "devolution, distribution, and contracted responsibility," and making the peasant households specialized in afforestation the masters of the wooded mountains.

The implementation of "devolution, distribution, and contracted responsibility" has ensured a genuine conditions where "the households specializing in forestry are entitled to own and to till the mountain slopes, and their operations will be profitable". As a result, a pleasing situation has emerged in Zhaoqing's afforestation. In the 3 years between 1983 and 1985, an acreage of 4.07 million mu was afforested. The newly afforested acreage in 1985 alone was 1.69 million mu, up by 2.9 folds from 1982. There are now more than 13,000 households specialized in afforestation, who have moved up, and settled down in the mountains. They have set up more than 60,000 plantations (small-scale orchards, tea, pine and bamboo plantations,) with an acreage of more than 1.25 million mu.

Commentator's Article

HK310903 Beijing RENMIN RIBAO in Chinese 24 May 86 p 1

[Commentator's article: "Promote Afforestation To Enrich the People"]

[Text] Guangdong's Zhaoqing Prefecture implements a flexible and open policy on afforestation in mountain areas.

Through devolution and transferring benefits, the enthusiasm of thousands of peasant households for afforestation in the mountain areas have been brought into play, and the prefecture has taken the road of promoting afforestation to enrich the people. Their experience has demonstrated that the policy of promoting afforestation to enrich the people will make the forest thrive and the peasants gradually become well-to-do, which is the objective as well as the basic route fòr the development of afforestation in the rural areas. In the reform of afforestation and development of afforestation in the rural areas, it is imperative to establish this important guiding idea of promoting afforestation to enrich the people.

The flourish of forestry is consistent with the people's prosperity in China. When forestry flourishes, the people will become well-to-do, and vice versa. Without developed forestry, the people's prosperity is out of the question, and economic development in the farming areas will be affected. If for immediate interests, trees are felled arbitrarily, it would be like killing the hen for the egg. That can only mean seeking petty interests and spoiling the important plan, while long-term prosperity will fail to be realized. No matter what kind of reform, it cannot be said to be successful if damage is done to the forest. Forestry must become an industry that will bring economic benefits to the managers. Without the initiative and enthusiasm of the producers (chiefly the peasants,) there would not be a development for forestry. In order to stimulate the peasants' enthusiasm for production, we must rely chiefly on the principle of material interests. By no means should we expect that people's initiatives will be brought into play by a fit of propaganda or some mobilizing calls. The successful experiences of the contracted responsiblity system in agriculture are likewise applicable to afforestation. The basic direction for the reform of afforestation is to do a good job in merging the responsibility, power, and interest of the producers. The better the forestry management, the more afforestation flourishes, and the more quickly will the producers become btblxato-do. Only then, will it be poossible for afforestation to take the road of healthy development.

The crux of the stalemate in afforestation development in the rural areas in the past was the lack of a policy to promote afforestation and to enrich the peasants. Many forest regions have resources as rich as gold and silver mines, but the peasants there have been poverty-stricken, finding no way to make money, resulting in the abnormal condition that "the mountains have resources but the people are poor." In many regions, the "mountains are barren, and the people poverty-stricken" because of the decline in afforestation. The high centralization of management, "eating from the same big pot," too rigid a state policy on the monopolized purchasing and marketing of products, paying no attention to economic results in operation, great respoonsibility but no rights for the peasants in the forest regions, who live on a meager income, and had neither the strength nor the interest to make long-term investment in the increase of forestry production, all this accounts for such distressing conditions. In recent years, work concerning afforestation focusing on stabilizing the right to use mountain forests, designating private slopes, and defining the contents of contracted responsiblity has been unfolded nationwide; and a timber market of collective forest regions was opened in 1985. The implementation of these reform measures aims to make the peasants become masters of mountain forests, and obtain more practical benefits from management, in order to bring into play the enthusiasm of thousands of peasant households for forestry production.

The party's policy of enriching the peasants is the basic policy in the new historical period as well as the general policy of all current policies in the rural areas.

Likewise, it is necessary to implement this policy in developing afforestation. We must carry through the guiding idea of promoting afforestation to enrich the people in all specific work and measures concerning afforestation. We should oppose not only the practice of managing forests for immediate interests, but also the practice of paying attention only to the building and management of forests, disregarding the livelihood of the masses and the interests of the producers. Leadership of all levels and the forestry departments should put the reform of the economic structure in afforestation above all else.

They should continue to relax the policy on afforestation, further make complete and perfect the contracted responsibility system in forestry production, straighten out all kinds of relations concerning the opening of the timber market in collective forestry regions, develop service systems for poroduction, marketing, transportation and processing of forestry, enthusiastically support peasants specialized in afforestation in their production, and protect the mountain forests from damage in a down-to-earth way.

China's afforestation is beginning to take the road of invigoration in the course of reform. Generally speaking, the problems in this field have not been basically solved, and afforestation is still a weak leg in the national economy. In order to change such backward features as quickly as possible, the most important thing at present is to seriously sum up both positive and negative experiences, to deepen understanding in reform, and to actively and steadily push the reform of afforestation in depth.

CHEN PIXIAN INSPECTS JIANGXI 23-28 MAY

OW300541 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 28 May 86

[Text] Chen Pixian, member of the CPC Central Committee Secretariat and vice chairman of the NPC Standing Committee, inspected our province's work from 23 to 28 May. During the inspection, he also studied and investigated our work.

He met separately with responsible comrades of the provincial party committee, the Standing Committee of the provincial People's Congress, and the provincial people's government. He also met with retired veterans of the Red Army, old cadres, and comrades from Shanghai engaged in construction in Jiangxi. During his cordial conversations with them, he asked them about their work and daily life.

Comrade Chen Pixian did revolutionary work in Ruijin, Ganzhou, Nanchang, and other parts of our province over 50 years ago. He, together with Comrade Chen Yun, persistently fought a guerrilla war in southern Jiangxi (Youshan) for more than 3 years; and altogether he spent the 6 most difficult years of his life here.

During his inspection tour of our province, Comrade Chen Pixian often said cheerfully: I am a native of Fujian, so Fujian is my first native home, while Jiangxi is my second. The rivers and mountains in Jiangxi are good, but the people here are even better. I have come to Jiangxi this time to see the people, old comrades-in-arms, old and new comrades, and new leaders as well as the changes that have taken place here.

During his inspection of our province, Chen Pixian met with leading comrades of the party, government, and Army organizations in our province -- including Wan Shaofen, Liu Fangren, Ni Xiance, Xu Qin, Jiang Zhuping, Wang Zhaorong, Xu Dean, Wang Baotian, Wang Taihua, Qian Jiaming, and Sun Shiyue.

He attentively listened to briefings on the work of the provincial party committee and the provincial people's government and asked about economic construction and the building of spiritual civilization in the province.

In his important speech, Comrade Chen Pixian said: I will discuss two issues here. The first issue is that the whole party should pay attention to the building of spiritual civilization. This is a major issue I am going to deal with. The second issue concerns Jiangxi's work.

The whole party should attach great importance to the building of spiritual civilization and increase its efforts in this regard. This is an important strategic task. The basic task for the people of our country at present and for several decades to come is to undertake socialist modernization with the emphasis on economic construction. To achieve this goal, we must carry out reforms in a comprehensive way and persistently implement the policy of opening to the outside world. This determines that we should stress the building of spiritual civilization.

The building of spiritual civilization must be aimed at serving the drive for socialist modernization and promoting the implementation of comprehensive reforms. It must be linked with implementation of the policy of opening to the outside world. In building a spiritial civilization, we must firmly follow the socialist orientation.

Chen Pixian said: The building of spiritual civilization requires us to meet the needs of the drive for socialist modernization. This calls for our people to cherish lofty ideals and moral integrity, to become better educated, and to observe discipline; it also calls for our society to be vigorous, to give fullscope to democracy and a scientific approach, to have a sound legal system, and to be united as one.

Referring to Jiangxi's work, Chen Pixian said: Economically speaking, Jiangxi's foundation is not bad. However, some of your products still cannot be transported out of the province. When the problem of circulation is not solved, it is similar to what happens when a person has indigestion. I approve of Comrade Yaobang's view that the channels of circulation must be unclogged. You can establish contact with other provinces and municipalities via the Chang Jiang, highways, or railways.

Chen Pixian said: Mountains in and near Dayu were green in the 1930's. Had it not been for such big forested mountains, we would not have been able to survive there. How about afforestation there? I am told that soil erosion in southern Jiangxi has been very serious since liberation. Jiangxi should find ways to solve such problems as red soil and soil erosion. Efforts should be made to plant trees and grass. When a place is made green, it will have a source of organic fertilizer, its soil will improve, and its agricultural output will increase.

Chen Pixian said: Jiangxi should also make efforts to improve the quality of its industrial products. I think the production of products that cannot find a good market should be reduced to the lowest level possible. Losses will be incurred when unsalable products are stored in a warehouse. You should think of a way to enter the domestic and interntional markets. Village and town enterprises should be strengthened; however, no such new enterprises should be wantonly established. In running schools, you should be willing to spend money. You must not be content to remain mediocre in your work or be content when you fall short of the best but are better than the worst.

During his inspection of our province, Chen Pixian met with Chairman Wang Shufeng and Vice Chairmen Wang Zemin, Zheng Xiaoxian, Huang Xiandu, Peng Shengxi, and Liu Bin of the provincial People's Congress Standing Committee -- as well as meeting with responsible comrades of its Financial and Economic Committee; Political and Legal Committee; Educational, Scientific, Cultural, and Public Health Committe; and General Office. He made an important speech on the work of the provincial People's Congress Standing Committee and on implementation of the Law of the People's Republic of China on Compulsory Education.

Chen Pixian said: Many comrades of the provincial People's Congress used to work in the party or in the government. However, you should not do the work of the provincial People's Congress using the same methods you once used in doing party or government work. The People's Congress has its own work methods. The People's Congress must not go against the leadership of the party, nor must it interfere with day-to-day government work. However, the People's Congress should play its role in supervising government work. Supervision does not mean surveillance. Supervision means inspection, hearing briefings, and study and investigation. Only by so doing can one have a say in a matter. When personnel are appointed, it is necessary to change as few personnel as possible during their terms of office. One can hardly accomplish anything if one does not stay put as long as 3 to 5 years.

Showing great concern for education and implementation of the law on compulsory education in our province, Cheng Pixian said: You should not only discuss and understand the law on compulsory education, but, more importantly, you should study what methods should be used to implement it.

He said: There are still many illiterates and a shortage of schools and teachers in Jiangxi. So the task of making compulsory education universal is very arduous. However, it all depends on human effort. When you consider and attach importance to a matter, it will be easier to handle the matter. Education is a matter of great importance concerning our posterity for generations to come. It is necessary to transfer a number of personnel to do this work, and momentum should be built up in this regard. I hope that you will make an extensive study and investigation and come up with a tentative plan to implement the law on compulsory education as one of your central tasks.

During his inspection of the province, Chen Pixian also called on Fang Zhichun, Bai Dongcai, Zhao Zengyi, Li Fangyuan, Xie Xianghuang, Liu Jianhua, Hu Delan, and other old comrades. He called retired Army cadres together for a discussion. Comrade Chen Pixian also met with 40 representatives of comrades from Shanghai engaged in construction in Jiangxi. He heard opinions on wages, enterprise reform, delegating power to lower levels, and the system of responsibility by factory directors. In addition to hearing the opinions of those conrades from industrial and communications enterprises in various parts of the province, Chen Pixian also asked them about the production of the enterprises in which they were working. He also asked them to convey his regards and greetings to the more than 5,000 comrades from Shanghai now working in Jiangxi.

ENTERPRISES TO ADOPT INTERNATIONAL STANDARDS

OW020126 Beijing XINHUA in English 0113 GMT 2 Jun 86

[Text] Beijing, Jun 2 (XINHUA) -- More than 6,000 major Chinese enterprises are expected to raise their product quality in the next five years as they are required to use international standards for their products, according to a conference today.

At the conference, which opened yesterday, it was also announced that by the year 1990, 90 percent and 70 percent of the major Chinese industrial products must use advanced foreign standards or international standards, respectively.

The problem of poor product quality stems from confusion in standards, an official from the State Council said at the conference.

It is reported that only 20 percent of the major Chinese industrial products are now using international standards or advanced foreign standards.

The conference has also worked out specific measures which include holding managers accountable if their enterprises fail to adopt international standards before the official deadline; setting different prices for products using different standards; and giving preferential treatment in energy and raw material supply, transportation, taxes, loans and foreign currency to enterprises striving to reach international standards.

[Beijing XINHUA Domestic Service in Chinese at 1320 GMT on 1 Jun carries similar report on the international standards conference, which adds: "Vice ministers of the State Economic Commission Yuan Baohua and Zhu Rongji and Director of the State Bureau of Standardization Cheng Quanhui worked out a plan to gradually raise China's standardization level through reform in the next 5 years."]

POOR QUALITY, FAKE PRODUCT SALES CURBED

HK310952 Beijing CHINA DAILY in English 31 May 86 p 1

[By Guo Zhongshi]

[Text] The state is taking a series of action to deal with counterfeit products, pirate brands and the declining quality of some famous trade marks in the wake of a steady increase in trade mark applications in the first quarter of this year.

An official from the State Administration for Industry and Commerce told CHINA DAILY that the administration had received 12,226 applications this year, up 23 percent over the same period of last year.

"New measures to be taken aim to put an end to trade mark violations now rampant in markets, particularly in wines and spirits," Gong Xiaolan, deputy director of the administration's Policy Research Department, said.

From this year, he said, the administration would register the entire packaging of 13 famous liquors as part of their trade marks, adding that if would also register the label designs of all liquors and wines that had won state gold and silver medals for quality.

"This is to tackle those manufacturers who put almost exactly the same labels on their products as famous brands," he said.

Last year, more than 15,757 cases of trade mark violation were uncovered nationwide, 180 percent more than in 1984, he said.

Besides drawing up new regulations banning fake products from getting to market, he said, the administration would also check the quality of products manufactured by enterprises bent on making their products famous.

He said enterprises that produced commodities without quality control, used poor raw materials, cheated in advertising and sales, deliberately hid the name and address of producers and operated without state lieences would have all their illicit income confiscated by the administration plus face a fine equivalent to 15 to 20 percent of that income.

Gong, who is also a council member of the Consumer's Association of China, said the association was helping the administration in that they followed up consumers' complaints, and backed them up with court prosecutions.

Some producers of famous brand goods, such as bicycle, furniture and machinery factories, are now having some parts of their products processed by rural township enterprises. "This is good, but if major or most sophisticated parts are made by small and inadequately-equipped factories, the fame of these brands will certainly be affected," Gong said.

These manufacturers of famous brands should give township enterprises work that they are capable of while keeping a strict check on quality, he said.

Some state-owned enterprises are unwittingly supplying parts and materials to markers of counterfeit or deceptive products. He said, these enterprises should stop such trade immediately, any enterprise that refused to receive the administration's inspectors would loose their business licence.

ZHAO ZIYANG INSPECTS NEW FUEL TECHNOLOGY SITE

OW312316 Beijing XINHUA Domestic Service in Chinese 1145 GMT 31 May 86

[By BEIJING RIBAO reporters Ban Mingli and He Wanyan and XINHUA reporter Huang Zhimin]

[Excerpts] Beijing, 31 May (XINHUA) -- Premier Zhao Ziyang visited the Beijing No 1 paper mill yesterday to inspect the site of experiments in liquid coal combustion technology. He attended a forum of officials from departments concerned and experts on the technology, and discussed with them the liquid coal preparation and combustion technology.

Liquid coal is a clear, non-polluting oil-substitute liquid fuel. Liquid coal preparation and combustion technology was one of China's key technological projects during its Sixth 5-Year Plan.

It was fairly hot in Beijing yesterday. At about 1500 Premier Zhao and his group arrived at the paper mill. They visited the experiment site and inquired about the application of liquid coal preparation and combustion technology. Premier Zhao was delighted with the technical personnel's briefings on the development and application of the technology. He said: The development and application of this new technology is of great significance for transforming and constructing furnaces, kilns, and power stations. By substituting liquid coal for oil and using the oil we have conserved to make petro-chemical products we will be able to raise the economic efficiency. Therefore, it is necessary to actively support the experiment, expand its scale, and solve problems concerning investment and application in order to accelerate the development of this new technology. Premier Zhao said: In developing this new technology, attention should be focused on training specialized personnel, intensifying the research, and perfecting testing the measurement instruments. While inquiring about difficulties existing in the further expansion of the research and application of liquid coal, Premier Zhao pointed out that the State Planning and Economic Commissions, the State Schientific and Technological Commssion, and the Ministry of Coal Industry should vigorously support the research and application and help solve problems.

Premier Zhao also viewed videotapes on liquid coal technology and personally prepared a sample of liquid coal.

Beijing No 1 paper mill is the first industrial unit in China to use liquid coal. Five experiments conducted by the mill during the last 2 years proved that the economic efficiency of liquid coal is considerably higher than other kinds of fuel.

Premier Zhao also visited the paper mill production workshop and asked the workers about their working and living conditions.

Accompanying Premier Zhao on the visit were Minister of Coal Industry Yu Hongen and Secretary of the Beijing Municipal CPC Committee Li Ximing.

MILITARY URGED TO SUPPORT ACADEMY REFORM

OW021446 Beijing XINHUA in English 1436 GMT 2 Jun 86

[Text] Beijing, Jun 2 (XINHUA) --China's Armed Forces were urged today to put their full support behind moves to reform the country's military academies.

Yang Shangkun, vice-chairman of the Central Military Commission, was quoted in today's LIBERATION ARMY DAILY as saying that during peace time the system of training various ranks of officers at military academies "must be perfected".

In the past, Chinese officers were promoted mainly from the troops. However, under the 1984 military service law, military academies have become the main source of officer material.

The People's Liberation Army needed more professionally-trained officers, Yang said. Officers should take further courses at academies during their military careers.

He did not specify what reforms would take place in these schools, but said the changes must be in line with the view of Deng Xiaoping, the commission's chairman, that education must be geared to the needs of the nation's modernization drive, taking into account possible future international developments.

The key to the reforms would lie in the teaching content. There would be a comprehensive reform in teaching methods, regulations and institutions.

Yang said: "The reforms must proceed steadily, and be based on the nation's conditions and state economic and financial resources during the Seventh Five-year Plan. They cannot be completed overnight."

China has more than 100 military schools. Yang inspected six of them in and around Shijiazhuang, capital of Hebei Province, last week.

REGIONAL ECONOMIC COOPERATION GROUPS ESTABLISHED

HK030143 Beijing CHINA DAILY in English 3 May 86 p 2

[Text] China has set up 20 trans-regional economic co-operative organizations, according to an official of the State Planning Commission.

The organizations were set up to make full use of local natural resources, promote productivity and encourage business cooperation.

The co-operation takes three forms: One covers administrative regions such as the Shanghai and Northeast China economic zones and co-operative zones in southwest, south, northwest, north China; one covers neighbouring areas such as the Huaihai Economic Zone which consists of 15 perfectures and cities in Jiangsu, Anhuai, Henan and Shandong provinces; and the third is among cities, for example the economic group linking Shanghai, Nanjing, Wuhan and Chongqing along the Yangtze River Valley.

The Northwest China Economic Zone consists of Liaoning, Jilin and Heilongjiang provinces and east Inner Mongolia Autonomous Region. More than 4,000 agreements on transportation, energy and raw material development have been signed over the past two years.

These items will help generate additional output value of more than 3 billion yuan a year. The zone has turned out coal, cement, rolled steel, timber and glass and opened 32 trunk highways to link the four areas.

ADVANTAGES, PLANS FOR SATELLITE LAUNCHES ANALYZED

HK010234 Hong Kong AFP in English 0200 GMT 1 Jun 86

[By Lawrence MacDonald]

[Text] Beijing, Jun 1 (AFP) -- China's bid for a slice of the world's satellite launch business has received an unexpected boost from problems with Europe's Ariane rockets and the U.S. space program, analysts said here.

The destruction on Friday of Ariane's 18th launch was expected to push back Ariane's schedule by at least a month while investigations were completed, leaving China temporarily the only nation with ready satellite launch capability actively seeking foreign business, analysts said.

Even before Ariane's latest trouble, officials at China Great Wall -- the commerccial arm of the Chinese Aeronautics Ministry which began seeking business overseas last October -- said an international shortage of launch vehicles had helped them to attract "dozens" of inquiries and sign two letters of intent.

Ariane's problems came on top of those in the United States, where the explosion of the U.S. Space Shuttle Challenger last January and two subsequent rocket failures have postponed all U.S. launchings until at least next year.

"Internationally there are more satellites needing to be launched than there are launch vehicles," Great Wall Deputy Director Wu Keli said in a recent interview.

First to take an option on a Chinese launch was Sweden's Svenska Rymdaktiebolaget, which signed a letter of intent for the launching of its near-earth Mailstar satellite last March.

In May, a private U.S. firm, Teresat, announced a memorandum of agreement for the Chinese launch into geostationary orbits of two U.S.-built communications satellites -- Palapa B and Westar 6 -- which were salvaged from faulty orbits by the Space Shuttle Discovery in 1984.

Though China has yet to launch a single foreign satellite, Mr. Wu said that the company had been contacted for preliminary talks by companies from Britain, Belgium, Thailand, Australia, and Canada, as well as some private brokers acting on behalf of Indonesian interests.

Mr. Wu said a French firm had expressed interest in joint design of satellites to be marked in China, but that Great Wall would only be interested if the satellites were to be marketed abroad.

Western experts said they had little doubt that China could launch foreign satellites into near-earth and the more difficult geostationary orbits, but cautioned that legal and technical hurdles remained.

Since the 1970 launch of China's first satellite -- a 170 kilogram (380 pound) orbiter that circled the earth beeping "the East is Red" -- Chinese scientists have put 16 near earth and two geostationary satellites on increasingly sophisticated rockets.

Most have been launched from one of two launch bases: Jiuquan, in the deserts of western Gansu Province, which uses two-stage Long March II for near-earth launches, and Xichang, in southwestern Sichuan Province, which specializes in geostationary launches using the three-stage Long March III.

A Western expert among the handful of foreigners who have visited Xichang said the bse was a mixture of military spit-and-polish and chamber-of-commerce boosterism.

"It looked and felt like an Army installation, but these guys had business cards," the visitor marvelled. "Normally with Chinese military officials you spend a lot of time trying to figure out who you're talking to."

Mr. Wu said that China's formerly closed attitude had led to misunderstandings about its space capabilities, with the problems of other rocket types being mistaken for those of the Long March series.

Consistent quality control now made it possible for China to guarantee successful launches, despite technological levels below those of the United States, he added.

Mr. Wu said that China aimed to attract customers by charging 10 to 15 percent less than the international rate of about 30 million dollars per geostationary launch, but cautioned that both figures were only a very rough guide.

Easy availability of insurance, increasingly difficult to obtain abroad, was another advantage of a Chinese launch, he said.

Launch failures in the last two years involved 600 million dollars worth of commerccial satellites and insurance premiums now account for up to 30 per cent of launch costs, Western reports said.

Western diplomats cautioned, however, that insurance arrangements could slow launch plans if the People's Insurance Company of China insisted on full disclosure of the technical details on what it was being asked to insure.

In the case of Teresat's deal, disclosure of technical information on the two U.S.--built satellites would require approval by the U.S. Department of Commerce, the diplomats said.

Though the United States has relaxed restrictions on technology transfer to China, approval cannot be certain and the controversy such an application would spark could delay China's first launch of a U.S. satellite beyond the October 1987 target date, the diplomats said.

The U.S.-built satellites also raise technical problems. They are too big for the existing payload capacity of the Long March III, which will need to be beefed up to increase thrust and cargo space, Western experts said.

Mr Wu acknowledged that such problems exist, but said both Great Wall and Teresat were confident they could be solved.

In the meantime, he said, Great Wall was preparing to open a U.S. representative office to bypass "space brokers" who had recently approached the firm and take China's low launch prices directly to prospective U.S. clients, he said.

CHINA UNITED AIRLINES CHALLENGES CAAC FOR MARKET

HK020414 Hong Kong AFP in English 0347 GMT 2 Jun 86

[Text] Beijing, June 2 (AFP) -- Military aircraft once reserved for top officials are now carrying foreign tourists as a new airline elbows in on the Chinese market once monopolized by the Civil Aviation Authority of China [name as received] (CAAC).

The 18-month-old China United Airlines (CUA) -- already viewed as a serious competitor for the national flag carrier -- carried 115,000 passengers last year, and hopes to nearly triple that figure in 1986.

China United also has plans to add a Beijing-Lhasa flight to the nine routes currently served by its fleet of military craft at bargain prices that are sometimes half the rate charged by CACC.

"China's transport needs are huge and the future is ours," CUA deputy director general Hong Wenkui told AGENCE FRANCE-PRESSE.

With Chinese trains generally slow and crowded -- 1.3 billion people traveled by rail in China in 1985, compared with just 7.5 million people who took CAAC -- he may well be right.

Unable to meet the country's mammoth air transport needs, CAAC lost its monopoly on air travel in China in 1984. Since then, a dozen new airlines have been officially approved, among them China United which began operations in October 1984.

In addition to breaking ground in the new wide-open air-travel market, China United stands out for its unusual fleet of aircraft, all of which belong to the Air Force Independent Transport Unit.

China United has leased about 60 of the unit's planes, including Soviet-made Antonov 24's and Ilyushin 18's from the 1950's, four Tupolev 154's purchased last year from the Soviet Union and about 10 British-built Tridents.

The Air Force Independent Transport Unit, which provides transportation for Deng Xiaoping and other top state officials, has also agreed to supply CUA with fuel, maintenance, ground personnel, mechanics, pilots and even air hostesses.

Even the meals served on long flights are prepared in Air Force facilities. The planes, sporting the red star of the Chinese military on their wings and tails, operate from the 75 military airports across the country.

In exchange, China United hands over more than 80 percent of its profits to the Air Force, Mr Hong said, adding that so far the military was operating the planes for CUA at a loss.

One of China United's most lucrative services is the transport of foreign tour groups on charter flights around China. The airline's nine regular air routes are open for use by Chinese and foreigners alike.

Its fares, set by the state, are unbeatable: Just 160 yuan (50 dollars) for the 2,000-kilometer (1,250-mile) flight between Beijing and the Shenzhen Special Economic Zone bordering Hong Kong.

Even with the mark-up for foreigners, the cost remains a low 265 yuan (83 dollars) for the Beijing-Shenzhen route, or about half the price of a CAAC ticket to fly from Beijing to Hong Kong.

However, safety standards are not always what they ought to be on the China United planes, according to Western travellers who have flown the new airline.

They said seat belts were missing or did not work on some of the old Antonov and Ilyushin aircraft, noisy turbo-propelled planes used on short flights.

Emergency exists are also often blocked by piles of baggage, they added.

"Safety is taken very seriously," Mr. Hong said. All the planes have been equipped with seat belts and the minimal weather conditions required for Air Force flights are stricter than for civilian air travel, he added.

But he noted that problems remain, especially with the Tupolev 154's -- used to transport nearly 200 passengers at altitudes of 10,000 meters (33,000 feet) -- which were delivered by the Soviets without oxygen masks.

They continue to fly without the masks, which are considered essential in the event of a severe drop in air pressure during a flight.

"We have repeatedly asked the Soviets to remedy their mistake, but without success. We have run into several problems with these planes, which in any case consume too much fuel, and we do not plan to import others," Mr. Hong said.

CHEN MUHUA SAYS BANK TO FAVOR FOREIGN TRADE

OW300633 Beijing XINHUA in English 0537 GMT 30 May 86

[Text] Beijing, May 29 (XINHUA) -- Chen Muhua, governor of the People's Bank of China, said that the bank will give priority to foreign trade departments in money supply while the bank strengthens macroeconomic control, according to the paper INTERNATIONAL BUSINESS.

In an interview with its staff reporter published in its yesterday's edition, she said that in the first quarter of this year, China's exports increased 13.9 percent over the same period last year, and took up 22.5 percent of the annual plan.

But, the bank feels pressure as foreign trade departments need greater amount of money because of the price drop of petroleum and surge of purchasing price of export goods. As all economic departments are confronted with a strain on funds now, it is an arduous task for the bank to supply more money to foreign trade departments.

However, it is a consistent principle for the bank to give priority to foreign trade. "The bank adhered to the principle in the past. It will do so in the future," she said.

On funds allocation, Chen said that in the first four months this year, loans to foreign trade departments amounted to 56.2 billion yuan, 20 percent of the total commercial loans.

In addition to supply of sufficient funds for purchasing of export goods, the bank will also provide better services, including adoption of electronic technology for settling accounts, improving monitoring work, and helping foreign trade departments institute better management and achieve economic results.

She also urged foreign trade departments to improve management and reduce storage of export goods. She said, "China's foreign trade will develop smoothly through cooperation of banking and trade departments." She also promised the current banking reform will make efforts to cooperate with the foreign trade reform.

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HK020850 Beijing RENMIN RIBAO in Chinese 31 May 86 p 7

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GUANGDONG FIRM TO ISSUE TRANSFERABLE BILLS IN HONG KONG

HK301208 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1011 GMT 29 May 86

[Text] Hong Kong, 29 May (ZHONGGUO XINWEN SHE) -- The Guangdong Enterprise (Holdings) Limited decided to sign an agreement on 30 May with 15 international financial institutions in Hong Kong. The agreement concerns issuing a total of 250 million Hong Kong dollars worth of 3-year transferable bills.

According to the responsible person of the Guangdong Enterprise Limited, the funds raised by the bills will be used to develop export commodity bases in Guangdong Province, to import advanced technology and equipment and to improve the competitiveness of products so as to expand the province's export capability.

The chief managers of the bill issuing project are China Development Finance Co. (HK) Ltd. and Paribas Asia Limited. Other managers include East Asia Bank, Barclays Bank International Limited, Banque Indosuez, Bank of Tokyo International (HK) Limited, the CCIC Finance Limited, Hong Kong Bank, Kincheng Banking Corporation, Kleinwort Benson (HK) Limited, Ya Hsi Ya Chang Yin Limited, Nanyang Commercial Bank, Sanwa International Finance Limited, Schroder and Chartered Limited and Sumitomo Finance International.

The Guangdong Enterprise Limited is the first non-financial PRC institution to raise funds in the Hong Kong and overseas capital markets.

HONGQI REVIEWS BOOK DETAILING DEVELOPMENT OF SHENZHEN SEZ

HK300948 Beijing HONGQI in Chinese No 10,16 May 86, Inner Back Cover

[Article by Wu Xinli: "Footprints of Explorers -- A Critical Introduction to 'New Look for the Shenzhen Special Economic Zone,' the Shenzhen Volume of the Chinese Urban Reforms Series"]

[Text] Shenzhen was the first special economic zone set up after our country implemented the open-door policy and it was also one of the first localities selected for carrying out reform of the economic structure in rural and urban areas. It is a city which has attracted the world's attention as well as the attention of all the people in our country. Many people at home and abroad are eager to have a further understanding about the city's situation and experience in reform. The book, "New Look for the Shenzhen Special Economic Zone" (hereinafter called "New Look") which is jointly edited by HONGQI and Shenzhen City, can satisfy the people's desires in this respect.

"New Look" gives an overall account of the major changes in every aspect of Shenzhen. With various pictures and articles, the book tells about tremendous achievements in urban construction, industry, commerce, finance, agriculture, animal husbandry, the building trade, tourism, and other sectors. From these achievements, we will see how the people and cadres of the special economic zone have been exploring ways of building the special economic zone under the guidance of the policy: "Special ways for handling affairs of the special economic zones are new ways for handling new affairs. The stand remains unchanged, but the methods should be entirely new."

In the past, people's understanding of Shenzhen was often confined to the building of material civilization and not much was known about its building of spiritual civilization.

However, energetically developing its culture and training people with a new mental attitude and ethical values are precisely important aspects of its experience in accelerating its construction, and are also important reasons why Shenzhen has been able to make such tremendous achievements in building material civilization. "New Look" has devoted much space to introducing Shenzhen's simultaneous development in material and spiritual civilization. It tells how many new trades and enterprises have grown out of nothing in the modernization of the special economic zone. It also relates a similar process in the development of its literature and art, physical culture, broadcasting, and television services, and how these undertakings have developed and flourished with the development of its commerce, industry, and agriculture, particularly through introducing its fishing villages, which are the most prosperous in the whole country, the book has shown us that the differences between workers and peasants, and the difference between town and country, are diminishing, and that entrepreneurs, good at managing enterprises, and various specialized people with talent are maturing.

"New Look" has used a large quantity of data and statistical figures to show the tremendous changes which have taken place in the past few years since the setting up of the special economic zone. The book also contains several hundred excellent color photos. The readers will find that this book very well fulfills both artistic and scientific requirements, and also gives a true picture of Shenzhen's achievements.

Shenzhen has embarked on the road to reform and opening to the outside world earlier than other cities. Without any experience which can be used as a reference, the people of Shenzhen have taken "a brave step forward" while exploring. This is of great significance. Blocks of buildings and factories have grown out of former barren beaches. This former poverty-stricken border town has developed into a modern city of considerable size. This fact alone demonstrates the tremendous achievements of reform. Of course, since the city has advanced while making exploration, there are bound to be great difficulties and avoidable mistakes. However, many of their experiences and lessons are valuable to all the people of our country who are advancing along the broad road of reform. "New Look," as a factual record of the footprints of pioneers in reform, will arouse great interest in the broad masses of readers at home and abroad.

SHANTOU SPECIAL ECONOMIC ZONE FOREIGN ENTERPRISES PROSPER

HK010319 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 31 May 86

[Text] According to YUEGANG XINXI BAO [GUANGDONG-HONG KONG INFORMATION JOURNAL], there are now 25 wholly foreign-owned enterprises in the Shantou Special Economic Zone [SEZ], accounting for one-fifth of such enterprises in the whole country. Most of these enterprises are operating successfully.

In the course of its development, Shantou SEZ has paid attention to taking advantage of its strong point as a homeland of Overseas Chinese, and has increased ties with Overseas Chinese compatriots and Hong Kong and Macao compatriots. It has also formulated favored treatment policies in respect of charges for land use, factory building hire, labor costs, and so on, to create good conditions for foreign capital to be invested in the zone. In the past 3 years, a steady stream of businessman from Thailand, Japan, Singapore, the United States, Hong Kong, and Macao have visited the SEZ to discuss and sign agreements. Agreements have now been signed for the import of 64 foreign investment projects involving a total investment of HK$600 million. The main products covered are chinaware, plastics, electronics, toys, carpets, and silk. According to incomplete statistics, from January to March this year, total output value of the wholly foreign-owned enterprises rose by 200 percent over the same period last year.

GUANGDONG COMMENTARY ON NO RELAXATION IN FAMILY PLANNING

HK010537 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 1 Jun 86

[Station Commentary: "Family Planning Cannot Be Relaxed"]

[Text] The revised Guangdong provincial family planning regulations are promulgated afresh and come into effect today. This is a major affair in Guangdong's family planning work. It is of great signficiance for further perfecting the province's family planning policies, controlling population growth, and promoting socialist modernization.

The revised regulations stipulate that, except in five special cases, urban couples should have only one child, and rural couples should have only one child. The birth of a second child must be subject to strict controls and rationally arranged. The regulations certainly do not mean that planning and restrictions on the birth of a second child are lifted. At present there are many instances of rural women having more than one child or having a second child in excess of the plan. This has a serious impact on the fulfillment of the province's population control plan. State cadres, workers, and urban residents are also starting to press for the birth of a second child. These are all violations of party and state policies and decrees and do not meet the demands of the regulations.

The party committees and government at all levels must attach great importance to these problems. Through publicizing and implementing the regulations, it is necessary to implement the birth policies, put forward contraceptive measures on a sound basis, and properly follow the regulations on awards and penalties.

GUANGDONG CLOSES DOWN ILLEGAL, DISQUALIFIED COMPANIES

HK301129 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 29 May 86

[Text] The province has done well in straightening out the malpractice of party and government organs doing business and running enterprises. According to statistics, since April 1985, the province has sorted out and reorganized 29,778 firms, accounting for about 75 percent of the firms that should be examined. After the examination and reorganization, the province has closed down 8,113 disqualified enterprises and fly-by-nights, safeguarding the interest of the state and maintaining good social and economic order. A responsible person of the provincial industrial and commerical administration bureau said more than 8,000 enterprises and firms in the province will still need to be examined and reorganized. This work should be completed at the end of June.

REDUCING DEFICITS, INCREASING SURPLUSES TARGETS IN HAINAN

HK020407 Haikou Hainan Island Service in Mandarin 0300 GMT 1 Jun 86

[Excerpts] The Hainan regional conference on reducing deficits and increasing surpluses concluded on 30 May. At the conclusion of the conference, Meng Qingping, deputy secretary of the Hainan People's Government, delivered a summation urging industrial and communications enterprises in all localities to persevere with in-depth reforms and develop them, to strengthen business management, to give more vitality to enterprises, and to do their best to attain all targets of the region for reducing deficits and increasing surpluses.

Comrade Meng Qingping said that the total output value of the region's industrial and communications production from January to April this year increased over that of the same period last year, but the profit reduced. This indicates the poor economic results of our enterprises. Governments at all levels and industrial and communications departments must clearly understand the situation, stir themselves, strengthen their confidence, and implement all measures and targets for reducing deficits and increasing surpluses.

Meng Qingping said that enterprises must put reforms above all else. Only by carrying out reforms can they invigorate themselves. We must proceed from reality, implement the principle of consolidation, digestion, supplementaiton, and improvement, vigorously develop lateral economic ties, and further readjust and upgrade the quality of members of leadership groups.

The participants visited the Qiongshan cigarette factory, the Hainan cast pipe plant the Qiongshan building materials general plant, the Haikou fire plant, the Haikou pharmaceutical plant, and the Haikou knitting mill, which have all done well in reducing deficits and increasing surpluses. Hainan Autonomous Prefecture, all cities and counties, and all enterprises directly under the regional authorities submitted pledges to the regional people's government on reducing deficits and increasing surpluses in 1986.

YANG XIZONG REVIEWS PROGRESS OF HENAN ANTILARCENY STRUGGLE

HK310915 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 29 May 86

[Excerpts] The provincial CPC Committee's political and legal work conference was held in Zhengzhou from 27 to 29 May. Provincial CPC Committee Secretary Yang Xizong, Deputy Secretary Liu Zhengwei, and Song Zhaosu, provincial CPC Committee Standing Committee member and provincial political and legal commission secretary, attended the conference and spoke.

The conference reviewed the situation and experience in waging the antilarceny struggle in our province, analyzed the existing problems, and made arrangements for continuously waging the antilarceny struggle.

Over the past 1 month and more, the masses seized 2,849 criminals and handed them over to the public security organs, provided the public security organs with some 77,000 clues to crimes, cracked a large number of cases, and recovered a large amount of stolen money and goods. Under the guidance of the law and policies, some 6,000 criminals throughout the province have surrendered themselves to the public security organs.

The conference held: Although our province has scored very great achievements in the antilarceny struggle, the antilarceny struggle has not developed evenly. The tasks confronting us are still very arduous. We must continue to develop the struggle in depth. Attending the conference were the secretaries of all prefectural and city political and legal commisisons; directors of the public security departments and bureaus; and responsible comrades of the provincial public security organ, procuratorate, and court, Zhengzhou Railroad Bureau, and the Political and Legal Commission of the provincial CPC Committee.

At the provincial CPC Committee's political and legal work conference which concluded yesterday, provincial CPC Committee Secretary Yang Xizong emphatically pointed out: CPC committees and governments of all places must really strengthen leadership over the antilarceny struggle and integrate special work with the mass line. They must give full play to the might of the law and policies and develop the antilarceny struggle in depth. We must pay special attention to the antilarceny struggle of our units and score achievements.

Comrade Yang Xizong fully affirmed the achievements in the antilarceny struggle which were scored by our province at the previous stage. In view of the fact that some criminals are prepared to repent and make a fresh start, we must give them a chance again. The provincial public security organ, procuratorate, and court will issue Circular No 3, extending the period for criminals to surrender themselves to the public security organs to the end of June. [sentence indistinct]

Comrade Yang Xizong said: CPC committees must exercise leadership and special work must be linked with the mass line. This is a successful experience. We must mobilize and support the masses so that they are bold in struggling against crime. We must teach the masses to act in accordance with the law so as to develop the antilarceny struggle healthily. We must link the antilarceny struggle with the building of a spiritual civilization, comprehensively tidying up the social order, and education in the legal system. We must mobilize all social forces and take all feasible measures to do well in comprehensively tidying up social order. We must strive to ensure a steady turn for the better in social order throughout the province and guarantee the smooth development of economic reform and socialist construction.

In conclusion, Comrade Yang Xizong stressed: While waging the antilarceny struggle, we must crack down on serious economic crime. We must stress investigating and dealing with big and serious economic criminal cases. The political and legal organs must get rid of obstacles and interference, resolutely investigate and deal with the cases in accordance with the law, and impartially deal with the cases which involve people, whoever they may be.

HENAN COMMENTARY URGES CURBING 'SECTORAL MALPRACTICES'

HK010601 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 31 May 86

[Station commentary: "Be Determined To Correct Sectoral Malpractices"]

[Excerpts] The party group of the provincial posts and telecommunications administrative bureau has rectified discipline among all posts and telecommunications workers in light of the particular characteristics of this sector. This has reminded us that, while doing a good job in investigating and dealing with major and important cases, we can only translate rectification of party style into action and carry it out in depth if we seriously check on and correct sectoral malpractices.

To correct sectoral malpractices is the cry of the masses and is also an inevitable development of correcting party style and social mood. Certain people engage in abusing the powers of their particular sector for their own purposes. There have even appeared certain tyrants controlling water, electricity, roads, schools, and so on, who aroused public anger. Hence, to do a good job in correcting sectoral malpractices is an important component part of straightening out party style. It is imperative to do this and to do it really well.

With the work style of all sectors straightened out, there is no fear that party style cannot be straightened out and that social mood cannot take a fundamental turn for the better.

SICHUAN STRENGTHENS ECONOMIC TIES WITH COASTAL AREAS

HK270227 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 26 May 86

[Excerpts] Sichuan is annually expanding its lateral economic ties with coastal provinces and cities. New strides have been taken in this respect. According to statistics from the provincial third-line readjustment and transformation planning office, in 1985 the province signed a total of 239 economic and technological cooperation agreements with 15 coastal provinces and cities. Of these, 54 were economic cooperation agreements, 139 were technological cooperation agreements, and 46 were joint venture production projects. A total of 340 million yuan have been invested in the province through these cooperation projects, of which some 170 million yuan are already in the province. This has helped to develop the province's economy.

Since last year, the various localities and departments in Sichuan, together with many enterprises and units, have seriously studied Premier Zhao Ziyang's instructions on launching third-line economic and technological cooperation, and the views of responsible comrades of the CPC Committee and government on developing lateral economic ties with coastal provinces and cities.

Liangshan Autonomous Prefecture has abundant resources of non-ferrous and ferrous metals. However, due to lack of capital and technology, there was no way of turning this resource's strong point into an economic strong point. In order to develop a national economy, the principal responsible comrades of the prefectural CPC Committee and government and of some counties and cities made repeated trips to Shanghai, Nanjing, and Hangzhou to learn and observe. They also invited responsible comrades concerned from those places to investigate Liangshan. The prefectural and county leaders have eliminated their worries of being fooled and suffering losses and rapidly formulated a series of favored treatment policies for importing capital and technology from the coastal areas. They thus provided a very good investment environment for cooperation projects. The two sides very quickly signed 7 contracts involving a total investment of 140 million yuan.

DOJE CERING APPOINTED NEW XIZANG REGIONAL CHAIRMAN

OW011158 Beijing XINHUA Domestic Service in Chinese 0151 GMT 1 Jun 86

[By reporter Shi Wenyan]

[Text] Lhasa, 1 Jun (XINHUA) -- The fourth session of the Fourth Xizang Autonomous Regional People's Congress, which concluded on 31 May, decided that the 46-year-old Doje Cering be chairman of the autonomous regional people's government. A Tibetan hailing from Xiahe County, Gansu, Doje Cering entered Xizang in 1959 and started to work there first as district deputy head and later county head and secretary of a prefectural party committee. He was appointed vice chairman of the autonomous regional people's government in 1983. Last November he was appointed acting chairman of the autonomous regional people's government. The congress session also decided that Mao Rubai, who graduated from Nanjing University in 1961, be vice chairman of the autonomous regional people's government.

XIZANG: RAIDI ELECTED CPPCC COMMITTEE CHAIRMAN 28 MAY

HK291354 Lhasa Xizang Regional Service in Mandarin 1130 GMT 28 May 86

[Excerpt] On the morning of 28 May, the fourth session of the fourth regional CPPCC Committee continued holding a meeting in the regional CPPCC Committee hall. Attending the meeting were vice chairman of the regional CPPCC Committee, including Pagbalha Geleg Namgya, Zheng Ying, Samding Doje Pamo, Jimzhong Gyaincain Puncog, Gaxoi Qoigyai Nyima, Danzeng Jiacuo, Lhalu Cewang Doje, Yongzeng Tudeng Tangba, Huokang Suolang Bianba, Tangmai Gongjue Baimu, Gongbassa Tudeng Jizha, and Qaba Gaisang Wangdui, and 336 committee members. Gong Daxi, vice chairman of the regional people's government and regional CPPCC Committee Standing Committee member, also attended the meeting, which was presided over by regional CPPCC Committee Vice Chairman Lhamin Soinam Lhunzhub.

In view of the fact that the CPC Central Committee has decided to transfer Comrade Yangling Duojie to the interior; that, with the approval of the CPC Central Committee, Comrade Song Ziyuan has left office to recuperate; and that three comrades, (Cui Jiayu), (Gao Quanyi), and Cao Yilin, have retired. The committee members attending the meeting unanimously adopted a resolution discharging Yangling Duojie from the posts of chairman, Standing Committee member, and member of the fourth regional CPPCC Committee; discharging Song Ziyuan from the posts of vice chairman, Standing Committee member, and member of the fourth regional CPPCC Committee; and discharging three persons, (Cui Jiayu), (Gao Guanyi), and Cao Yilin, from the posts of Standing Committee members of the fourth regional CPPCC Committee.

In accordance with a suggestion by the Xizang Regional CPC Committee, and with a proposal by the 11th meeting of the fourth regional CPPCC Committee Standing Committee, after full deliberations and discussion, the committee members present at the meeting unanimously adopted a resolution on the election of Comrade Raidi to be a Standing Committee member and chairman of the fourth regional CPPCC Committee through a by-election.

XIZANG: OFFICIALS REPORT ON HITTING HARD AT CRIMINALS

HK281514 Lhasa Xizang Regional Service in Mandarin 1130 GMT 27 May 86

[Excerpts] On the morning of 27 May, at the fourth session of the fourth regional People's Congress, Zi Cheng, president of the regional Higher People's Court, and Qyanincain Norbu, chief procurator of the regional People's Procuratorate, delivered work reports.

In his work report, President Zi Cheng said that since the third session of the fourth regional People's Congress, people's courts at all levels in the region have resolutely and perserveringly hit hard at serious criminals and economic criminals, paid more attention to trying civil cases and cases of economic disputes and to handling complaints from the people, taken an active part in comprehensive improvement of public order, and strengthened organizational building of personnel in people's courts at all levels, achieving remarkable results in these fields.

He said that in hitting hard at serious economic crimes, people's courts in all localities have treated the struggle against economic crimes as an important part in trying criminal cases. By imposing fines, confiscating property, and recovering illicit money and goods, they have safeguarded the economic interest of the state, collectives, and people.

In trying civil cases, they have relied on the masses, conducted investigations, laid stress on mediation, and solved problems on the spot, thus settling a great number of civil cases and protecting the legitimate and normal rights and interests of the broad masses according to the law. As a result, they have readjusted various civil relationships, strengthened unity among the people, and promoted improvement of the general social mood.

In his work report, chief procurator Gyanincain Norbu said that over the past year or so, people's procuratorates at all levels in the region have further eradicated leftist influence, straightened out their ideological line and guiding thought on their professional work, and seriously improved their work style. While sparing no pains in hitting hard at criminal cases, they have treated the struggle against economic crimes as an important task at present. They have thus carried out procuratorial work in an all-round way, achieving new results. To curb economic crimes effectively, procuratorates at all levels have brought into full play their functional role and punished a number of serious economic criminals according to the law, exerting great contributions to making up economic losses for the state.

YUNNAN, CHONGQING DEVELOP ECONOMIC, TECHNOLOGICAL TIES

HK220530 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 20 May 86

[Text] Since last year, Yunnan Province and Chongqing City have made progress in economic and technological cooperation and ties. According to the statistics of the departments concerned, the two parties have reached many economic and technological cooperation and joint venture agreements, some of which have been put into operation and 11 others will be soon put into operation.

Of the projects which have been put into operation, the sugar cane joint venture between Chongqing's Changjiang agriculture-industry-commerce corporation and Yunnan's Binchuan County boosted its output volume to 4 million jin last year, thereby generally increasing the income of local peasants.

Following the restoration of direct railroad service between Kunming and Chongqing in the past year, the two cities started the passenger service, as well as [words indistinct] to each other. At the same time, the exchange of commodities, goods and materials between Yunnan and Chongqing has also been greatly developed. Take Chongqing's department of the first light industry as an example. It established 356 sale points in Yunnan, achieving a total sales volume of over 20 million yuan last year. On the other hand, Yunnan's cigarettes, tea, tropical fruits and commercial electrical applicances are put on Chongqing's market in large quantities. Some of them are so popular that sometimes their supply fails to meet the great demand.

On the exchange of science, technology and qualified personnel, Yunnan University, entrusted by the Chongqing's chemical industry corporation, ran cadres' training classes on economic management in mountainous areas, thereby cultivating 120 students for the local areas. Various universities, colleges scientific research units, factories, mines and enterprises of Chongqing also trained a large number of qualified personnel needed by Yunnan.

SHANXI: WANG SENHAO EXPLAINS PROBLEMS IN UNDERSTANDING REFORM

HK310615 Taiyuan SHANXI RIBAO in Chinese 20 May 86 p 1

[Report: "At Meeting of Responsible Persons of Prefectural and City Departments and Bureaus Wang Senhao Stresses That It Is Essential To Pay Attention To Solving Problems of Leaders' Understanding in the Current Reform"]

[Text] Governor Wang Senhao stressed at a meeting of responsible persons of prefectural and city departments and bureaus of 17 May that it is essential to solve the following four problems in leaders' thinking in the current economic structural reform:

1. The party and government leaders at all levels should check to see if they have put reform in the first place. The current pace of development of reform is unbalanced. Even in places that have attached relatively great importance to economic structural reform, it cannot be said that reform has truly been put in first place.

This is still less the case in other areas. Many leading cadres do not really comprehend the central authorities' description of reform as the core of the Seventh 5-Year Plan, or why the central authorities list reform as one of the three main tasks of the plan. These cadres verbally acknowledge reform as the primary task, but they have not yet truly assigned it the primary position in terms of overall work arrangements, leadership effort, and agenda.

Hence, the leading party and government cadres at all levels must work very hard to study and appreciate the spirit of the central authorities' series of instructions on reform, and truly identify this question in their minds. In this way, the various specific problems that crop up in reform will be easy to solve. Otherwise, it will be very difficult to carry out reform in depth.

2. The party and government leaders at all levels must keep clear-headed regarding the coexistence of the new and old systems and the replacement of the one by the other. Although the new systems are far from perfect, lack coordination and completeness, and abound in contradictions, they represent the orientation for our onward advance, and the leaders must provide support for them. Although the old systems still seem to "work" and operate, and people are used to them, they are old things to be replaced and targets of reform, and must not be preserved. The leaders must actively seek ways of reform, explore paths of reform, and experiment in methods of reform. They should comprehend and come to grips with these ways, paths, and experiments, instead of constantly clinging to the old system.

At present the resistance put up by the old system comes mainly from administrative departments and administrative-style companies. Certain leading comrades are always forbidding others to touch old things; if you want to touch an old thing, he says that you "lack organization and discipline." As for the stipulations in the "35 articles" and the "supplementary regulations" explicitly drawn up by the provincial CPC Committee and government, many administrative-style companies actually refuse to take any action on them but go on as before, cutting back the powers of others while gathering powers and interests for themselves. Apart from imposing management fees, they also withhold the enterprises' retained profit; of the depreciation funds that should be given to the enterprises, the upper levels wants a slice, while another slice has to go to environmental protection charges. All kinds of random imposition and collections of fees are still being pursued. A cool-headed leader must take the stand of the new system, clear the way for it, and give it the green light; he should not become an obstacle and obstruction to the new system.

3. People's vision should be turned inwards instead of upwards. As soon as reform is mentioned, certain leading cadres become full of grievances. They grumble at the upper levels for not delegating powers, and in particular complain that the fiscal and taxation departments are holding the reins too tightly and that restrictions on wages and bonuses are too severe, leaving them without way of solving the problems. Of course, there are indeed many problems in the upper levels, and there are problems in reform in all aspects; coordinated reform is needed. However, the prefectures, cities, and departments should identify these things that they should do in reform; they should first delegate those powers that they ought to delegate; they should announce the annulment of outmoded regulations and conventions, together with things that contravene the "35 articles"; they should abolish the various fees they have randomly imposed on enterprises; and they should hand over to the enterprises those matters that they are monopolizing.

All these are problems to be solved by you yourselves; they are not problems of the upper levels. They are, moreover, problems that you can solve yourselves. However, it is precisely in these respects that many problems that should and could have been solved are still unsolved to this day. We must therefore stress that people turn their vision inwards; everyone should start with himself and begin by reforming himself. He should immediately act to reform those things that should be reformed, without waiting around or hesitating, being afraid to make mistakes, or fearing that those who take the lead in reform get the worst of it. It is necessary to brace spirits and persevere in doing a good job in reform.

4. We should vigorously support new things and young buds that appear in reform. We should also vigorously support those who boldly pioneer, innovate, and explore. We cannot demand that new things be perfect the moment they appear, nor can we negate them just because they are not perfect. We cannot pick on people who are bold in reform; we should provide enthusiastic support for them so long as they are carrying out reform in a public-spirited way. While correcting unhealthy trends and cracking down on economic crime, the discipline inspection and political and legal departments must pay attention to distinguishing between mistakes in reform and violations of law and discipline by taking advantage of loopholes in reform.

We should provide assistance when shortcomings occur in reform; even if a reform fails, we should not pour cold water on it but help those concerned to sum up experiences and continue to work at reform. We must curb the practices of dealing blows at, suppressing, and making things difficult for reform. The leaders should take a firm and clear-cut stand, without any ambivalence, over what to support and what to oppose. In this way the reforms will be able to progress smoothly.

CPC POLICY ON 'TAIWAN INDEPENDENCE MOVEMENT' OUTLINED

HK021139 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 27 May 86 p 5

["Answers to Question From Taiwan Compatriots" column: "Does the CPC Support the 'Taiwan Independence Movement'? Why Are the 'Taiwan Independence Movement' Elements Allowed To Visit the Mainland?"]

[Text] The CPC does not support the "Taiwan Independence Movement." It has always resolutely opposed the idea of "two Chinas," the "Taiwan Independence Movement," and splittism, and has done its utmost to strive for the reunification of the motherland.

Before 1979, responsible people of the CPC and other democratic parties used to issue statements at gatherings or forums marking the anniversary of the Taiwan "28 February" incident every year, condemning foreign forces for collaborating with a handful of Taiwanese in creating "two Chinas" or "one China and one Taiwan" and in instigating the "Taiwan Independence Movement." All the joint communiques issued when China established diplomatic relations with the United States, Japan, and other countries state that "there is only one China, and Taiwan is a part of China." This statement clearly displays the Chinese Government's principled stand against "two Chinas," "one China and one Taiwan," and the "Taiwan Independence Movement."

The "Message to Taiwan Compatriots" issued by the NPC Standing Committee on New Year's Day in 1979 pointed out: "We place hopes on our 17 million compatriots in Taiwan as well as on the Taiwan authorities. The latter have always adhered to the stance that there is only one China and are against the independence of Taiwan. This is exactly the common ground and the basis for cooperation."

Addressing the New Year's tea party held by th CPPCC National Committee on 1 January 1980, Deng Yingchao pointed out more definitely: "A handful of people in Taiwan are engaging in the so-called 'Taiwan Independence Movement' which goes counter to the will and interests of the Taiwan people, the reunification of the motherland, and the unity of the nation. Regarding the relations between Taiwan and the mainland, unity means stability and division means danger. This is a cardinal patriotic principle and an objective truth known to everybody. Now that the Chinese people living on the two sides of the Taiwan Straits have been separated for several decades, whoever continues to stand in the way of reunification of the motherland will do a disservice to both our ancesters and descendants."

On the same occasion, Deng Yingchao also stated blunty: "The headquarters of the 'Taiwan Independence Movement' is based in the United States. Some powerful and influencial figures in the United States have openly supported the 'Taiwan Independence Movement' and regarded Taiwan as their exclusive domain. This is certainly a great insult to the Taiwan people. And whether it is in the interests of the Taiwan authorities is absolutely questionable."

In the government work report that he gave to the second session of the sixth NPC in May 1984, Zhao Ziyang also pointed out: "We will appreciate every word and deed by the Taiwan authorities that enhances intercourse and mutual understanding between the compatriots living on the two sides of the Taiwain Straits and is favorable to the reunification of the motherland." On the same occasion, he retiterated: "All conspiratorial activities with the aim of splitting China will not possibly succeed."

All these statements show that the CPC has always opposed splittism, has strived for the reunification of the motherland, and will never tolerate the "Taiwan Independence Movement" and any other conspiratorial activities aimed at splitting the motherland.

The great cause for the reunification of the motherland in which the CPC has always engaged during the past 30-odd years is in fact the struggle against such conspiratorial activities as creating "two Chinas" or "one China and one Taiwan" and instigating "Taiwan's independence."

It is true that we sometimes open intercourse with people in favor of the idea of Taiwan's independence. But in so doing we never mean to agree with their idea, but attempt to persuade them to forsake their views. Just as Deng Yingchao declared at a forum on the issue of reunification organized by the women's community in Beijing on 3 March 1980: "'Taiwan's independence,' in the literal sense, is contrary to the reunification of the motherland, indicating a tendency to split the motherland as well as the people. Therefore, we do not support the idea of 'Taiwan's independence.' But we are willing to exchange views with those who uphold this idea and welcome them to visit the mainland." Here, our purpose in "exchanging views" and in "welcoming them to visit the mainland" is to enhance mutual understanding, dispel their doubts, and change their views rather than support their attempt to seek "Taiwan's independence."

As everybody knows, Taiwan compatriots who long suffered colonial rule by imperialists have a strong desire to master their own country. Taiwan returned to the embrace of the motherland in 1945. However, due to the protracted confrontation between the Kuomintang and the CPC, Taiwan was again separated from the motherland more than 30 years ago. Some Taiwan compatriots who are not content with the political status quo in Taiwan and know little about the mainland and are disappointed doubt Taiwan's future.

This being the case, some Taiwanese are being deceived by foreign propaganda, and a small number who have an axe to grind, cherish illusions and tend toward the "Taiwan Independence Movement." Their situation and mentality are understandable, and that is the the CPC is willing to contact these people with a view to winning them over, helping them understand and support the CPC's principle of peaceful reunification, and minimizing obstacles to the peaceful reunification of the motherland.

TRAWLER CREW RELEASED; CAPTAIN TO REMAIN IN ARGENTINA

OW031003 Taipei CNA in English 0944 GMT 3 Jun 86

[Text] Buenos Aires, Jun 2 (CNA): Alfredo Bustos, the federal judge in charge of investigating the Chinese trawler Chiann Der No. 3 case, has released from custody all the Chinese crewmen and the captain of the ship, Yen Chin-liang. However, the captain, the only accused in the case, is ordered to remain in Argentine territory until the case is cleared, as required by the Argentine criminal code. The judge made the decision after terminating the questioning of the captain and three other officers of the ship last night.

According to judicial sources, the captain of the ill-fated vessel would be charged with "disobeying" Argentine authorities while fishing within the 200-mile economic zone claimed by Argentina. The alleged disobedience violates Article 239 of the Criminal Code and Article 575 of the national fishing law. However, according to sources, the captain of the ship insists that he was operating at a position 228 miles from the Argentine coast at its closest point when his ship was attacked.

Monday morning, the captain was questioned by the Argentina naval prefecture on the question of administrative responsibility.

The 20 crew members, including the remains of Hung Tien-lai, the ship's radio operator, will be repatriated to the ROC [Republic of China] as soon as the necessary documents can be completed. Naval sources indicated that, if all goes well, the process should be completed by the end of the week.

The return of the crew members and the release of the captain from prison close only one chapter of the trawler tragedy. Argentine law prohibits fishing vessels under foreign flags from operating in Argentine waters and provides for fines of up to U.S. dlrs 1 million against the owners of offending boats.

A Polish fishing boat was seized by an Argentine naval prefecture gunboat two weeks ago and fined U.S. dlrs 150,000 when a sizable squid catch was discovered on board.

One week earlier, a Japanese fishing boat was detained and fined U.S. dlrs 250,000 the highest fine yet set by the Argentine authorities.

DISTRICT PROSECUTOR TO INVESTIGATE CAL HIJACKING

OW0201720 Taipei CNA in English 1505 GMT 2 Jun 86

[Text] Taipei, Jun 2 (CNA) -- Prosecutor Chang Ching-yan of the Taipei District Court is scheduled to hold an investigation this week to probe the violent hijacking of a China Airlines' Boeing 747 cargo jet by its pilot Wang Hsi-chueh to the China mainland May 3. Chang has sent a notice to China Airlines saying that he wants to scrutinize all data related to Wang's piloting the B-198 cargo jet, the flight records and reports on May 3.

Tung Kuang-hsing and Chiu Ming-chih, the copilot and flight engineer on board the hijacked cargo jet, will be subpoenaed to testify in the court, according to the District Court.

The hijacked cargo jet and two of the three crew members, Tung and Chiu, were returned to Hong Kong May 23 after representatives from the ROC flag carrier and Peiping's Civil Aviation Administration of China held four rounds of talks in the British colony from May 17 to May 20.

Tung and Chiu returned to Taipei immediately from Hong Kong May 23 and told a press conference here about the violent hijacking incident. The cargo jet was returned to normal flight service May 31 after completing a class C maintenance inspection upon its return to China Kai-shek International Airport May 24.

TAIPEI EXPOSES MAINLAND 'HUNDRED FLOWERS' CAMPAIGN

OW310643 Taipei International Service in English 0200 GMT 31 May 86

[Station commentary]

[Text] Twenty leading writers in Mainland China have called for a law to ensure that writers, artists, and scientists can freely express their views. The official XINHUA NEWS AGENCY quoted the writers as saying that such a policy is basic to Marxism and socialist democracy.

It sounds as if Communist China is about to revive the campaign of let a hundred flowers bloom and a hundred schools of thought contend brought to an abrupt end by Mao Tse-tung's antirightist drive 30 years ago. In recent days, Peking's official press has published several other articles in the same vein in commemoration of the short-lived 1956 bloom and contend campaign.

Mao, who personally launched the campaign and terminated it with brutality described the schemes as an open conspiracy designed to lure the regime's opponents to speak up. Taken in by Mao's promise not to retaliate, intellectuals responded to his call with an enthusiasm that surprised the dictator. Hence the bloody suppression that has effectively silenced the articulate for the past 3 decades.

Although Teng Hsiao-ping has done away with some of Mao's excesses, he has not departed from Mao's basic policy regarding freedom of expression. A case in point is the short-lived 1979 Peking Spring which Teng unleased as a means to topple his opponents from power. Once the goal was achieved, he immediately ordered the closedown of democracy wall and the arrests of those who spoke against continued communist dictatorship.

If the current leadership in Peking had really divorced from the past, dissidents like Wei Ching-sheng would have been set free. The fact is that the Tengists have removed from their constitution the freedoms of putting up wall posters, holding debates, and engaging in bloom and contend.

The writers who called for a return to the bloom and contend probably did so at the urging of the communist authorities to create the false impression that Peking is indeed losening up. They gave themselves away by saying that freedom of expression is basic to Marxism. If they are right, Peking would have to amend its constitution again. That would be unthinkable so long as Peking insists on the four basic principles of perpetual communist domination.

Feng Yu-lan, the 91-year renowned philosopher at Peking University, has no such illusion. He predicted in a press interview that Peking's one-party rule will continue, meaning there could not be any freedom of expression. Feng, who survived the Cultural Revolution, has apparently learned the art of survival well. He protected himself by praising Mao as the greatest leader whose contributions far outweighed his mistakes. Those who expect a genuine liberalization in Red China would be in for a big disappointment. Freedom of any kind has no place under a totalitarian system. The revival of the hundred flowers and hundred schools of thought will have to wait until the return of democracy to the Chinese mainland.

KMT REAFFIRMS 'NO CONTACT' POLICY WITH MAINLAND

OW310339 Taipei CNA in English 0255 GMT 31 May 86

[Text] Taipei, May 30 (CNA) -- The ruling Kuomintang [KMT] has reiterated its determination to uphold the policy of "no contracts, no talks and no compromise" with the Chinese Communist regime. The KMT Central Committee, in an internal review report on the recent talks between China Airlines [CAL] and Peiping's Civil Aviation Administration of China [CAAC] to be disseminated among party members, said that the Peiping regime has never given up its attempts to undermine the goverment's "three-no" policy, and this is why it insisted on talks with CAL before returning the stranded CAL cargo jet and its crew regardless of international practices.

The report said it is very obvious that every move Peiping took in handling the CAL incident was included in its overall united front scheme against this nation and was aimed at creating the false impression that the nation has begun to talk with Peiping. The report said that CAL's decision to talk with CAAC was a single incident and was based on humanitarian considerations, and therefore, it should not be regarded as a violation of the nation's basic policy. Peiping not only did not attain its goal in talks with CAL, but instead it has again exposed its conspiracies against this nation, it said.

OPPOSITION POLITICIANS STRATEGY, EFFECTIVENESS CRITICIZED

OW290851 Taipei CHINA POST in English 26 May 86 p 4

[Editorial: "Meaning of Opposition"]

[Text] The "Green Movement" demonstration led by local opposition politicians and their supporters was aimed at protesting the government's maintaining martial law for the last 38 years. The protest action, a march from Lungshan Temple to the Presidential Office Building, was not carried out as planned because the Taipei law enforcement authorities dispatched some 1,200 police armed with batons to keep the demonstration from proceeding.

Such is a common scene in most developing countries, and the protesters usually win the public's silent support and editorial endorsement from the press. Yet, the latest action has received only a lukewarm response from the public and criticism from the press, simply because the opposition chose the wrong time in the wrong situation.

Encouraged by President Chiang Ching-kuo's directive on May 7 asking that the ruling party strengthen rapport and mend fences with the opposition to promote political stability and social harmony, the ruling Kuomintang (KMT) May 10 formally negotiated with the opposition politicians and accepts the proliferation of the Tangwai Research Asociation for Public Policy (TRAPP) in Taiwan.

The KMT's liberal move was described as a political milestone in the ROC's political development, and has earned widespread acclaim from the public, lawmakers, and the press. While the people of this country heartily welcomed the rational attitudes taken by both the ruling party and its opposition, the latter announced that they would hold a protest march on May 19. Such an announcement was like splashing a pan of water over the public and slapping the KMT in the face. It was natural that the public reacted negatively to the opposition's demonstration.

It was a good thing that the KMT was not discouraged by the opposition, and continued its communication and negotiation with opposition leaders on May 24.

Here we have a few words for the opposition politicans. The mechanism of checks and balances is vital to the optimum operation of a political system. And it takes a strong opposition to make a government democratic. Thus the mission of the opposition to democratize this country is not just to oppose the ruling party blindly, but to make itself a strong and rational power in order to become a real opposition party in the future. If the public does not see sincerity in the opposition group, then it will not gain much support.

YOUNG CHINA PARTY OPPOSES FOREIGN INTERVENTION

OW241125 Taipei CNA in English 0934 GMT 24 May 86

[Text] Taipei, May 24 (CNA) -- Li Huang, chairman of the Young China Party, has openly accused some people in this nation of trying to apply foreign pressure to affect domestic affairs. Li also expressed his dissatisfiction with four U.S. lawmakers -- Senator Edward Kennedy, Senator Claiborne Pell, Rep. Jim Leach and Rep. Stephen J. Solarz -- for setting up the so-called "Taiwan Democratic Committee" in an attempt to intervene in the nation's internal affairs.

Commenting on the recent communication between the ruling Kuomintang [KMT] and some non-partisans, Li said that he agreed with the KMT on its efforts to increase its dialogue with non-partisans aimed at enhancing the nation's solidarity and harmony.

Li said that national assemblywoman Chou Ching-yu and Legislator Hsu Jung-shu recently attended a press conference in Washington, D.C. sponsored by the four U.S. solons in which they bitterly criticized the government's policy in hopes of winning the sympathy of foreigners. He said their ploy was to use an opposition activity dubbed "May 19 Green Movement" initiated by a group of non-partisans here.

The nation's internal problems should be resolved by the people here, and no foreigners will be allowed to intervene in the nation's internal affairs, he stressed.

Li said according to what he has experinced over the past 60 years, foreign intervention in the nation's internal affairs will only result in endless turbulences and disasters. Any attempt to apply foreign pressure to affect domestic affairs is strongly opposed by the Young China Party, he declared.

SHANGHAI LITERATURE, ART CIRCLES EMPHASIZE POLITICAL DEMOCRACY

HK010626 Hong Kong MING PAO in Chinese 31 May 86 p 5

["Special Dispatch From Shanghai": "Literature and Art Circles Oppose Dogma, Urge Political Democracy"]

[Text] Under the influence of the relaxed atmosphere in ideological and theoretical circles, delegates of the cultural and art circles who attended the "Shanghai Municipal Seminar on Cultural Development Strategy" also called for ensuring political democracy and ushering in a "cultural spring."

The seminar was held between 10 and 14 May. Delegates at the meeting freely discussed what they were interested in. As some people said, the results of this seminar were beyond expectations, because the discussions went beyond the scope of planning the cultural development in a locality. The seminar will have strong repercussions all over the country with regard to the ideological and cultural fields, so the meeting will produce a far-reaching influence. Some people even said that this seminar may eventually be the beginning of a new "4 May Movement."

At this seminar, Marxism was the central topic of the discussions. Delegates at the meeting affirmed that "Marxism is a valauable cultural heritage of mankind." But they held that "Marxism cannot replace the whole of human culture" and "cannot provide all concrete knowledge and criteria for cultural appraisal." Therefore, only by simultaneously developing and adhering to Marxism can we add more vitality to Marxism.

Some delegates emphasized: "Marxism should not be taken as dogma or a label to intimidate people. Feudalist color should not be used to taint Marxism and Marxism tainted by feudalist color should not be taken as 'Chinese-style' Marxism. Marxism should be taken as a subject of study by China's academic and theoretical circles and should be ranked among other subjects concerning human society."

Another topic which attracted much discussion was the relationship between modern culture and traditional culture. Some delegates said: It is groundless to worry that China's traditional culture will be "totally Westernized" under the strong influence of modern culture. In China's history, each time the Chinese culture was confronted with Western culture or converged with Western culture, the Chinese culture was not "totally Westernized" at all. In the course of modernization, traditional Chinese culture only lost its inertia and dross and always maintained its essence. The cream of the Chinese culture will never be lost. Some other delegates, however, pointed out that any people trying to negate China's traditional values and culture developed in the past thousands of years will just cause confusion.

At the seminar, some delegates called for ensuring the stable and prolonged implementation of the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" so as to create a relaxed environment in which all people can freely seek truth without fear under a situation of "unity, harmony, mutual understanding, and mutual trust."

Some delegates wittily said: In the past decades, we experienced many storms and only saw that there were merely two "schools" rather than a hundred "schools," only one "flower" rather than a hundred "flowers," and that the "double hundred principle" was merely a strategem for "luring the snakes out of their caves."

Most delegates emphasized: "Political democracy is the basic guarantee for cultural development. Cultural legislation is a necessary measure for ensuring the stable development of culture over a long time." Through these guarantee measures, the successful experience in economic reform may be introduced to the cultural undertakings, which can also follow the principle of enlivening internal cultural activities and opening up to the outside world.

The leaders of the relevant central departments have reportedly paid close attention to the results of this seminar. Vice Minister of culture Gao Zhanxiang, who attended the seminar, expresed support for the speeches of the delegates.

MING PAO VIEWS GUANGDONG FAMILY PLANNING POLICY

HK310245 Hong Kong MING PAO in Chinese 30 May 86 p 5

[Special Dispatch by Hsing Chien from Guangzhou: "Guangdong Has Not Relaxed Its Policy Toward Family Planning, Overseas Chinese Hometowns May Allow People To Have Two Children"]

[Text] Guangdong Province has revised the family planning regulations mainly because it plans to perfect the regulations and make them conform to the actual situation of Guangdong after opening up to the outside, rather than relaxing its policy toward family planning.

The sources pointed out that it is groundless to say that the province has relaxed its policy. Guangdong revised the regulations by acting in the spirit of the CPC Central Committee concerning "the work of continuing to grasp family planning firmly and well." The new regulation still stipulates that "in the urban area, a couple can only have one child" and we "advocate one child per couple in the rural areas" but "strictly prohibit the practice of having additional children, three children or a second child." It is just because of implementing the family planning policy in a rational way that the new regulations allow couples who satisfy one of the five special conditions to have a second child.

There is a stipulation in the new regulations that "those who want to have a second child must submit their cases to the town and township people's government for overall hearing and rational arrangements according to the quotas of population plans and the interval of having children." The sources said: China strives to control the size of its population to about 1.2 billion by the turn of the century. According to this proportion, the population of Guangdong should be within 72 million. Therefore, we should work out the province's family planning quotas according to this figure, and assign the quotas down to the local governments at various levels, so that they can implement them by taking into consideration the local conditions.

On the issue concerning whether or not the Overseas Chinese hometowns do not allow people to have two children, he said: Generally speaking, the rural areas of Overseas Chinese hometowns may allow people living in the rural areas to have two children in a systematic way and according to the quota. Compared to the sparsely populated rural areas, we should tighten our control over the densely populated urban areas a little. For example, such Overseas Chinese hometowns as those on the Zhujiang delta and Chaozhou-Shantou plain are densely populated areas. Thus, the control over the areas will be tightened. In addition, the phenenomenon of marrying too early is very common in these areas.

On the family planning of the returned Overseas Chinese, dependents of Overseas Chinese, as well as spouses of people living in Hong Kong and Macao, the regulations stipulate: Cases concerning these people will be handled in accordance with the relevant state regulations.

The sources said: In 1983, the State Council's Overseas Chinese Affairs Office and the State Family Planning Commission promulgated the "Several Suggestions on the Work Concerning the Family Planning of the Returned Overseas Chinese and the dependents of Overseas Chinese. It mainly stipulated that those newly returned Overseas Chinese who have given birth abroard to two children are not allowed to have another child." "We should also advocate couples who are both Overseas Chinese to have one child. In case they insist on having the second child despite persuasion, they may be allowed to do so provided that they have returned to China for less than 6 years." "In case the children born by the returned Overseas Chinese and dependents of Overseas Chinese all go abroad, the returned overseas Chinese and dependents of Overseas Chinese may be allowed to have an additional child."

There are rumors that Guangdong refuses to register for residence and to give food rations to children who are born without permission from the family planning authorities. But the sources immediately denied these rumors and stated that they were simply groundless.

PRC RESTRICTS HONG KONG-BASED DIPLOMATS TRAVEL PRIVILEGES

HK010518 Hong Kon SOUTH CHINA SUNDAY MORNING POST in English 1 Jun 86 p 1

[Text] A clamp has begun on Hong Kong-based diplomats who travel to China on trade matters. In what is seen as attempt to end abuses by those seeking VIP treatment, some diplomats will no longer be given rights to travel in China as their country's representatives.

Until recently, an informal arrangement existed between the Chinese authorities and diplomats with Hong Kong accreditation who travelled into southern China on trade-related matters. Many of them were allowed to use their diplomatic status on the other side of the border although technically they were not entitled to do so. This helped them gain access to Chinese officials and also assisted in arranging visits to places with a speed not normally accorded regular visitors to China. This would often be done to open doors for visiting trade delegations from their home countries.

However that arrangement is understood to have ended. In future, Hong Kong-based diplomats who do not have the additional backing of accreditation from Beijing, will be treated like any other visitors to the mainland. "It means that instead of a day or two to get a visa, it will take a couple of weeks. And it means more restricted movement in China," said one diplomat.

The move however, its not expected to affect diplomats from countries with missions in China. Most of them have double accreditation.

In several instances, diplomatic missions prefer to have diplomats working out of Hong Kong to cover trade matters in southern China, simply because it is much more convenient than travelling south from Beijing. Belgium and Australia are two countries which have consuls who deal in trade matters in southern China. Diplomats from their missions are frequently shuttling between Guangdong and Hong Kong. Many of these diplomats have double accreditation, both to Hong Kong and Beijing, and it is unlikely the move will affect them.

However, for the few missions in Hong Kong that don't have diplomatic ties with China, the crackdown is seen as an attempt by the Chinese to restrict what appears to be a never ending flow of trade delegations into the country.

"It could be an attempt by the Chinese to cut out diplomatic middlemen and strengthen their hand when it comes to doing business with foreigners," said one diplomat. Whatever the reason, diplomats agree, it seems certain to make trade negotiations more difficult for some countries and easier for others.

Guangdong Province is one of the busiest provinces in China and it has a bustling trade with foreign countries. Its present volume of foreign trade, which stands at US$2.4 billion is expected to increase to $5.9 billion by 1990. It is also expected to earn US$2 billion in foreign exchange next year. The province has already established business links, in the form of joint ventures or compensation trade, with 17 countries and regions.

There are 20 missions in Hong Kong which have no diplomatic ties with Beijing.

ZHOU NAN 'OPTIMISTIC' ON SINO-PORTUGUESE TALKS ON MACAO

HK310744 Hong Kong TA KUNG PAO in Chinese 31 May 86 p 2

["Special dispatch" from correspondent Chen Yung-ping: "Zhou Nan Expresses Optimism as Sino-Portuguese Talks on Macao Are About To Open"]

[Text] Shenzhen, 30 May -- Zhou Nan, China's vice foreign minister and head of the Chinese delegation to the Sino-Portuguese talks on the Macao issue, today told reporters that the Macao issue will also be solved in light of the "one country, two system" formula and that he is optimistic about prospects for the talks with Portugal on the Macao issue.

Zhou Nan arrived in Shenzhen this morning by train. He will attend the second meeting of the Basic Law drafting committee sub-group dealing with the topic of "relations between the central government and the special administrative region" tomorrow and the day after.

This afternoon, Zhou Nan went alone to visit the industrial district in Shekou. He was interviewed by some reporters in the China Merchant Company's building in Shekou, and talked about the central authorities' policy toward the future of Macao.

Zhou Nan said: According to the experience in handling the Hong Kong issue, the Chinese Government will use the "one country, two systems" formula to solve the Macao issue, and this is a definite principle. Of course, the talks will also give consideration to Macao's special issues which differ from things in Hong Kong, although there are a lot of similarities between Macao and Hong Kong. So all these special issues will be solved through the talks. Since the talks have not begun, he said he is not in a position to make any comment on these issues.

When asked whether the talks on the Macao issue would be shorter than the talks on the Hong Kong issue, Zhou Nan said that all relevant matters will be handled in the talks. Of course, it may take a shorter time to accomplish the talks on Macao's future than the talks on the Hong Kong issue, but this still depends on the actual progress of the talks. He reiterated: "We are optimistic about the talks, and our Portuguese friends are also optimistic about them."

The reporters then asked about the timing of Macao's return to China. They also asked whether a basic law will also be drafted for Macao like the one which is being drafted for Hong Kong. Zhou Nan said that all this must be decided during the talks and he is not in a position to say anything about this.

The atmosphere of the interview was rather relaxed and pleasant. Zhou Nan made humorous remarks from time to time. For example, when reporters asked him what the differences are between Macao and Hong Kong, he said: "The sizes of the two places are quite different."

Zhou Nan was fond of quoting poems during the talks with Britain on the Hong Kong issue, so the reporters asked him whether he will recite poems again. Zhou Nan then advised the reporters to write some poems so that he can recite their poems. He also invited the reporters to drink the pear juice produced in Shekou.

When Zhou Nan visited Shekou, he listened to a briefing by Yu Zhongping, a responsible person of the Shekow management committee office about the contruction and development of the Shekou industrial district. Former Chinese Ambassador to Britain Chen Zhaoyuan, who was recently invited to be an adviser to the China Merchant Company, and former Chinese Ambassador to Bangladesh Xiao Xiangqian also met with Zhou Nan in the China Merchant Commpany's building.

After visiting the Shekou industrial district. Zhou Nan went to visit Shatoujiao.

REPERCUSSIONS OF CAL HIJACKING INCIDENT EXPLORED

HK030204 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1110 GMT 2 Jun 86

[Article by He Shan: "Lingering Repercussions of the China Airlines Incident"]

[Text] Hong Kong, 2 Jun (ZHONGGUO TONGXUN SHE) -- The incident of the China Airlines [CAL] B-198 freighter has come to a conclusion with the return of the plane and two of its crew members. However, the incident still has lingering repercussions in Taiwan.

A notable fact is that since the CAL plane incident, five leading members at the top echelon of Taiwan's "Transportation and Communications Ministry's Civil Aviation Administration's have turned in their resignations. Among them, the resignation of Liu Te-min, director of the Civil Aviation Bureau, was approved on 29 May. He will be succeeded by Chan Chia-ju, currently Taiwan's executive deputy to the "minister of defense." The resignations of Liu Su-chung, director of the CAL Avaiation Affairs Department, and Shih Min, director of the Security Control Department, have also been approved. The resignations of Wu Yueh, CAL board director, and Chi Jung-chun, CAL general manager, are still under consideration.

It is reported that a special investigation group was set up by Taiwan's Civil Aviation Administration concerning the plane incident before handling the cases of the people involved. A report examining CAL's administration and operations was submitted, with the conclusion that CAL abounds in malpractices such as overstaffing, a fragile financial structure with excessive debts, and a poor promotion system. As a result, it has suffered deficits for consecutive years. In order to basically improve the situation, it is necessary to change the existing organizational form and operational system which is "neither governmental nor civil."

The personnel problems, fractional conflicts, bad management, and low efficiency within CAL have long been criticized by all circles in Taiwan, even prior to the plane incident. The "legislative" and "supervisory" members have constantly "accused each other" over CAL problems.

According to reports in Taiwan newspapers, since Wu Yueh, CAL board director, took office in May 1983, he has discovered that many CAL problems originate from long-term personnel problems, thus he has advocated reforms in the personnel system in a big way. Since 1985, he has conducted "reshuffles", first in CAL overseas branches, then in the General Headquarters. However, his personal efforts have failed to save CAL from its decline, possibly because the difficulties are beyond his power. Accidents have continued all the same on CAL airliners.

According to incomplete statistics, between 16 February and 18 March this year, CAL had a total of seven plane accidents. The worst accident was when a Taipei-Makung Boeing 737 passenger plane crashed into the sea. The cause of the accident is now known. What has made the people of all circles most dissatisfied is that CAL, which has "neither a governmental nor civilian nature" seldom admits to its mistakes in public and never voluntarily publicizes the results of its investigations after each accident. Taiwan's Civil Aviation Bureau, which is responsible for supervising CAL, has never ordered CAL to carefully examine its mistakes and improve its service, but instead applies each year for loans of billions [of new Taiwan dollars) for CAL in an effort to help CAL pay its debts while the government plans its budget. Outsiders clearly know the special relationship between CAL and the Civil Aviation Bureau. Thus, the so-called "supervisory" role of the Civil Aviation Bureau has actually tapered to a nominal existence.

Although the Taiwan authorities have repeatedly said that CAL is a civilian airline, Taiwan newspapers have only recently pointed out that not only most of CAL's pilots and mechanics but also CAL's administrative staff at various levels, including the high-ranking members of its board of directors, originally came from Taiwan's Air Force. Therefore, CAL should not be considered an ordinary civilian airline. Taiwan press circles have also pointed out: "As far as CAL's significance and value in the whole world are concerned, CAL actually hs great significance for national defense." An organization such as CAL, which is charged with special responsibilties, naturally should not allow imperfect systems, different factions within personnel, unfair promotions and transfers, and so on to exist within itself. This can easily be understood.

Now the main responsible administrative personnel of the Civil Aviation Bureau and CAL have sent in their resignations owing to the CAL incident. However, whether their action can retrieve the awkward situation or not is still unknown. A notable development is that some people have suggested that the authorities adopt a resolute method to fundamentally change CAL's present management system and even suggested changing CAL's "goverment shares" into "civilian management" or "government and civilian joint management" in order to establish a new kind of "effective administrative system" to thoroughly remold CAL and cast off all its old maladies. Whether this proposal can be accepted by the authorities or not is hard to foresee at present. However, the future development of the case will certainly draw people's attention.

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Zhao To Visit Romania, SFRY

OW040800 Beijing XINHUA in English 0743 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- Zhao Ziyang, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee and premier of the State Council, will pay an official goodwill visit to the Socialist Republic of Romania in early July, 1986.

A Foreign Ministry spokesman announced this at today's weekly news briefing. Zhao has been invited by Nicolae Ceausescu, general secretary of the Romanian Communist Party and president of the Socialist Republic of Romania, and Constantin Dascalescu, premier of the Romanian Government.

The spokesman also announced that Premier Zhao will also pay official visits to Yugoslavia, Greece, Spain, Turkey and Tunisia from July 6 to 26.

The visits are the invitation of Chairman Branko Mikulic of the Federal Executive Council of the Socialist Federal Republic of Yugoslavia, Prime Minister Andreas George Papandreou of the Hellenic Republic, Prime Minister Felipe Gonzales of the Government of Spain, Prime Minister Turgut Ozal of the Republic of Turkey and Prime Minister Mohamed Mzali of the Tunisian Republic.

Concern Over Taiwan Boat

OW040946 Beijing XINHUA in English 0941 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- China has expressed concern to Argentina over the sinking of a Taiwan fishing boat by an Argentinean patrol boat, a Chinese Foreign Ministry spokesman said at a weekly press briefing here today.

He noted that an Argentinean patrol boat recently sank a Chinese fishing boat from Taiwan, causing casualties.

The Chinese side has requested the Argentinean side to provide relevant information and give medical treatment to and take care of the crew members of the sunk boat, the spokesman said.

Boundary Talks with Bhutan

OW040802 Beijing XINHUA in English 0749 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- The Government of the People's Republic of China and the government of the Kingdom of Bhutan have agreed to hold the third round of Sino-Bhutanese boundary talks in Beijing from June 11 to 16.

Speaking at a weekly news briefing today, the Foreign Ministry spokesman said that chairman of the Chinese delegation will be Vice-Foreign Minister Liu Shuqing and chairman of the Bhutanese delegation Ambassador Extraordinary and Plenipotentiary Dr Tashi Tobgyel.

Philippines' Laurel To Visit

OW040806 Beijing XINHUA in English 0747 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- At the invitation of the Chinese Government, Salvador Laurel, vice-president and foreign minister of the Republic of the Philippines, will pay an official visit to China from June 15, 1986. A Foreign Ministry spokesman disclosed this at a weekly news briefing here this afternoon.

Peruvian Prime Minister To Visit

OW040808 Beijing XINHUA in English 0746 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- Chairman Luis Alva Castro of the Council of Ministers of the Republic of Peru will pay an official visit to China from June 12 at the invitation of Premier Zhao Ziyang. A Foreign Ministry spokesman made this announcement at a weekly news briefing here this afternoon.

SALT II FEUD FURTHER STRAINS U.S.-SOVIET RELATIONS

OW040020 Beijing XINHUA in English 0001 GMT 4 Jun 86

[Round-up: U.S. Policy Shift on Salt II Brings About New Quarrels (by Shi Lujia) -- XINHUA headline]

[Text] Washington, June 3 (XINHUA) -- A series of disputes between Moscow and Washington have strained U.S.-Soviet relations since the beginning of this year on issues relevant to nuclear disarmament. Now, a new quarrel over the Strategic Arms Limitation Treaty (SALT II) is fueling these disputes and overshadowing the prospect of a new Soviet-U.S. summit scheduled for later this year.

SALT II was signed by the late Soviet leader Leonid Brezhnev and former U.S. President Jimmy Carter in 1979 after eight years of hard negotiation. After the Soviets invaded Afghanistan in late 1979, the U.S. Senate refused to ratify the SALT II agreement.

President Ronald Reagan has been a vocal opponent to the treaty, calling it "fatally flawed" and an agreement that would do nothing good for the United States. However, because of pressure from domestic public opinion and U.S. allies and differences within the administration, Reagan declared the United States would not undercut this treaty as long as the Soviet Union abides by it.

Then on May 27, Reagan announced that since the Soviets frequently have violated the treaty, the United States would take the "nature and magnitude" of the Soviet threat as the starting point in its development of nuclear forces instead of following restrictions set up by SALT II. But, he said, the policy would not be put into effect for the time being and whether the U.S. would adhere to the treaty depends on Soviet behavior in the following months.

Some newspapers observed that the administration shifted its stand on SALT II because Washington wanted to apply pressure to the Soviets to get the arms control talks in Geneva moving off their sluggish pace. Other newspapers argued that Reagan's statement was only a move with which the administration would pleace the conservatives at home.

Secretary of State George Shultz termed the change as a "shift of gears" in U.S. arms policy.

Marking a strong response from Moscow, the Soviet official news agency TASS in a commentary May 28 charged the United States with harboring an attempt to "ensure unilateral military advantages."

Some Soviet officials declared that the Soviet Union should take necessary countermeasures to defend itself and its allies if the United States abandoned SALT II. They also threatened that holding the second Soviet-American summit was in jeopardy as long as Washington sticks to its current policy on the SALT II treaty.

Last weekend, Moscow warned in a sharply worded statement that the Soviet Union no longer would be bound by the two SALT treaties and would take necessary measures to prevent the strategic equilibrium from being damaged once Reagan puts his May 27 decision into effect.

Some American politicians and West European allies have expressed reservations about the shift in U.S. policy.

According to some people, including Robert McNamara, former U.S. defense secretary during the Vietnam war, to undermine SALT II would mean abandoning the arms control structure established by four U.S. presidents in the last 20 years. And, these experts said, it would spark a surge in the arms race. During a meeting of NATO foreign ministers that closed May 30, almost all the Western Europe representatives demanded Washington reconsider its SALT II stand.

Washington intended to force Moscow to make concessions in Geneva, some American newspapers wrote, but the policy change probably would offer a chance for Moscow to launch a new propaganda campaign -- accusing Washington of having no interest in arms control and making it more difficult for any progress at the Geneva talks.

U.S.-CANADIAN 'TRADE WAR' CLOUDS GATHERING

OW040546 Beijing XINHUA in English 0532 GMT 4 Jun 86

[Roundup: U.S.-Canada Trade War Brewing (by Liu Zhiguang) -- XINHUA headline]

[Text] Washington, June 3 (XINHUA) -- The Canadian Government announced Monday that Canada will impose tariffs on U.S. books, magazines, computer parts and some other imports in retaliation for President Ronald Reagan's decision to place a 35-percent tariff on imported Canadian cedar products.

The Canadian action came despite a personal letter from Reagan over the weekend apologizing for the failure to inform Canadian officials of the U.S. tariff beforehand.

The Canadian move immediately drew criticism from U.S. trade representative Clayton Yeutter. "There is no justification for the response by the Government of Canada," he told a press conference in Boston.

Adding to tension over the cedar products tariffs dispute was a decision by the U.S. international trade commission Monday upholding a 40-percent tariff on Canadian tubular steel used in the U.S. oil industry.

Observers believe that a trade war between the United States and Canada is brewing.

The Reagan administration announced on May 22 that it would impose the tariffs for five years on cedar shakes and shingles from Canada to protect the ailing U.S. red-cedar industry, which has steadily lost markets in recent years to its Canadian counterpart.

The U.S. duties would start at 35 percent for the first 30 months, before going down to 20 percent and eventually to eight percent.

Canada is a major cedar exporter to the United States, with an export estimated at 182 million U.S. dollars annually. Canada's proportion of the American cedar products market had grown from 40 percent in 1978 to 73 percent in 1985. Canadian officials argued that the U.S. tariff would virtually wipe out the Canadian cedar industry and cost the jobs of about 4,000 Canadian workers.

Incidentally, Reagan's decision to impose the tariff came without warning on the same day when U.S. and Canadian representatives concluded their first round of negotiations on a trade agreement. This coincidence seemed to have taken Canadian officials by surprise.

"Actions like this make it extremely difficult for anyone, including Canadians, to be friends with the Americans from time to time," Prime Minister Brian Mulroney said the next day.

Under the decision, announced in the House of Commons Monday by Finance Minister Michael Wilson, the Canadian Government will apply a 10-percent tariff to certain American books, periodicals and other publications that have been allowed duty-free entry into Canada. It will also reintroduce a 3.9-percent duty on computer parts and 6-percent tariffs on semiconductor devices, which was abolished early this year at the request of the United States.

Canada is also to raise duties on a number of other products including tea, oatmeal, Christmas trees, diesel motor rail cars, and asphalt oil for paving.

The Canadian finance minister said the import duties will go into effect on June 6, the day when Americans begin collecting the new tariffs on Canadian red cedar shakes and shingles used in roof construction. "Our objective is to bring home to the United States the costs of protectionism," Wilson said. He described the Canadian action as "measured response" and warned that a trade war between Canada and the United States would serve no useful purpose.

The tariffs levied by the Canadian Government on U.S. products would raise about 58.4 million U.S. dollars while the U.S. tariff is estimated to collect 62.7 million dollars.

Canada and the United States are each other's largest trading partners, with annual trade exceeding 129 billion U.S. dollars. U.S. trade deficit with Canada, which runs at more than 20 billion U.S. dollars, is second only to that with Japan. Many Canadian industries are deeply concerned over the recent protectionist moves in the U.S. Congress as Canada's exports to the United States account for more than one-fifth of its gross national product.

GU MU MEETS U.S. ECONOMIC, LEGAL DELEGATION

OW021544 Beijing XINHUA in English 1452 GMT 2 Jun 86

[Text] Beijing, June 2 (XINHUA) -- China will firmly carry on with its economic reforms and implement the policy of opening to the outside world, and provide legal protection for foreign investors, State Councillor Gu Mu said here today.

During a meeting with a U.S. economic and legal delegation headed by Robert Strauss, he said that much progress has been achieved in Sino-American trade and economic relations over the past few years, but there were also obstacles on the way of advance, which require the common efforts of both governments and people to eliminate.

The state councillor gave a dinner in honor of the American guests after the meeting. The 71-member U.S. delegation are attending a four-day joint conference on trade, investment and legal aspects which opened here this morning.

U.S. SECRETARY OF STATE ON APARTHEID POLICY

OW031556 Beijing XINHUA in English 0655 3 Jun 86

[Text] Washington, June 2 (XINHUA) -- U.S. Secretary of State George Shultz today condemned South Africa's policy of racial discrimination and emphasized that "apartheid must go" and "must go soon."

He made the statement at the conference for American religious leaders on South Africa which was held at the State Department building today.

Shultz said the situation in South Africa is "a continuing tragedy". Apartheid "robs the blacks of South Africa of their fundamental human rights" and "threatens the security and economic prospects of an entire sub-continent," he said.

But he also noted that changes have recently occurred in the basic structure of apartheid in South Africa. Those "point logically and inexorably toward more fundamental change," he said.

Shultz defended the U.S. policy of "constructive engagement", saying it involved a two-pronged approach: persuasion and pressure. He again made it clear that the United States opposes imposing punitive economic sanctions against South Africa, on grounds that it will "inflict random, indiscriminate damage on the South African people and their economy." However, this arguement has been rejected by South African Bishop Desmond Tutu who said last week that economic sanctions by the outside world is the "last non-violent option" to topople the apartheid system in South Africa.

Tutu also said that Western companies that do business in South Africa and claim that they are helping the black population can better help the blacks by leaving the country now and coming back "when we have a democratic and just dispensation in South Africa".

MAC MEETING FOCUSES ON SAFETY OF SECURITY ZONE

HK040828 Beijing RENMIN RIBAO in Chinese 30 May 86 p 6

[XINHUA report by reporters Li Tu and Gao Haorong: "Yi Tae-ho Stresses at Korean Military Armistice Commission Meeting the Need To Adopt Measures to Ensure the Safety of the Joint Security Zone"]

[Text] Panmunjom, 29 May (XINHUA) -- The 436th meeting of the Korean Military Armistice Commission held here today continued to discuss questions concerning measures to be adopted for relaxing the tense situation of the joint security zone of the Korean Military Armistice Commission and for ensuring safety there. The two sides did not reach an agreement on this.

Yi Tae-ho, senior member of the Korean-Chinese delegation to the Korean Military Armistice Commission, stressed at the meeting that the proposal on adopting measures for ensuring the safety of the joint security zone of the Korean Military Armistice Commission put forward by the Korean Military Armistice Commission put forward by the Korean-Chinese side on 3 January is "conducive to relaxing the tense situation, preventing shooting incidents from occurring again, reliably ensuring the security activities of members of the Koran Military Armistic Commission and the Neutral Countries Supervision Committee, and creating an atmosphere for North-South dialogue."

Yi Tae-ho stressed that the reduction of the number of security guards in the zone and the necessity of unarming these guards should be discussed first. He said that viewed from the present situation, the two sides need only a few security guards to maintain order in the joint security zone and to act as guides, and that if the security guards do not carry any weapo ons, shooting incidents similar to that which occurred in November 1984 can be avoided. Yi Tae-ho pointd out that only after measures for relaxing the gense situation have been adopted can these measures be affirmed and inspected.

The senior member of the U.S. side agreed at the meeting to dismantle the fortification positions in the joint security zone, to withdraw heavy and automatic weapons, and to reduce the number of security guards there. However, he held that a joint supervisory group which includes members of the Neutal Countries Supervision Committee should first be set up and that the "inspection system" should be implemented before these measures can be adopted.

Yi Tae-ho pointed out that this attitude of the U.S. side is actually an attempt to "continue to maintain the present situation in the joint security zone," and that it is "unwilling to adopt new and sound measures for ensuring the safety of the joint security zone."

DPRK, PRC EXCHANGE TREATY RATIFICATION DOCUMENTS

OW030940 Beijing XINHUA in English 0937 GMT 3 Jun 86

[Text] Pyongyang, June 3 (XINHUA) -- the Democratic People's Republic of Korea (DPRK) and China exchanged ratification instruments of a consular treaty here today. DPRK Vice-Foreign Minister Kang Sok-chu and Chinese ambassador to Korea Zong Kewen signed the instruments at the exchanging ceremony, which was attended by DPRK Vice-Premier and Foreign Minister Kim Yong-nam. The Sino-Korean consular treaty was signed on November 26 last year in Beijing.

QIAO SHI ATTENDS DPRK AMBASSADOR'S BANQUET

OW031412 Beijing XINHUA in English 1404 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- A banquet was held at the embassy of the Democratic People's Republic of Korea here tonight to mark the current visit by Korean Workers' Party Secretariat Secretary Hwang Chang-yop. The banquet, given by Korean Ambassador Sin In-ha, was attended by Qiao Shi, a member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee.

Both Hwang Chang-yop and Qiao Shi delivered speeches at the banquet. Hwang said his successful visit to China had left him with a deep impression. Wherever he visited, he felt China's construction policies were full of great vitality. He wished the Chinese people every success in their bid to achieve the four modernizations. Qiao Shi expressed the belief that Hwang's visit would further strengthen friendly relations between the parties of China and Korea. Hwang and his visiting party will return home tomorrow.

XINHUA NOTES KCNA REPORT ON SR-71 FLIGHT

OW310801 Beijing XINHUA in English 0611 GMT 31 May 86

[Text] Pyongyang, May 31 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) accused the United States of having increased its aerial espionage in its airspace.

A report of the KOREAN CENTRAL NEWS AGENCY said that yesterday a U.S. "SR-71" high-speed, high-altitude reconnaissance plane infiltrated into the Korean airspace over the Kangryong peninsula on the west coast before flying on to the sky over the DPRK territorial waters east of Kosong. The United States has committed such aerial espionage 18 times this month, the report added.

This clearly indicates that the United States is further aggravating the situation on the Korean peninsula and stepping up its preparations for another war of aggression against the north side of Korea, the report noted.

U.S. BASE WORKERS IN SEOUL GO ON STRIKE

HK040213 Beijing RENMIN RIBAO in Chinese 1 Jun 86 p 6

["Special Dispatch" by reporters Liu Zhengxue and Feng Zhiyuan: "Korean Workers in U.S. Army Base in Seoul Go On Strike, Hold Demonstration"]

[Text] According to a report by Korea's NODONG SINMUN, as the South Korean young students' struggle against the "government" and the United States surged ahead, more than 18,000 South Korean workers in the U.S. military base and U.S. military institutions in Seoul also went on strike and held a demonstration on 29 May to protest against the U.S. military employers' unreasonable dismissal of some workers. during the demonstration, many workers exposed and condemned the U.S. employers' exploitation and discrimination. They demanded that their work be respected and their wages be raised.

On 30 May, some 30 South Korean workers attacked and occupied a branch of an American bank in Seoul. The workers broke into the office of the bank manager, smashed window panes, and hung anti-U.S. slogans. The workers also spread handbills which carried their declaration on the workers' struggle. These two rounds of struggle have greatly upset the United States and the South Korean authorities.

SINGAPORE DEPUTY PRIME MINISTER LEAVES FOR HOME

OW030948 Beijing XINHUA in English 0942 GMT 3 Jun 86

[Text] Shanghai, June 3 (XINHUA) -- Ong Teng Cheong, Singapore's second deputy prime minister, and his party wound up their 12-day visit to China, and left here today for home via Hong Kong. During their stay in China, they visited Shanghai, Shandong Province's Jinan City, Qufu and Taian counties, and Beijing.

Ong attended here the opening ceremony of the Shanghai branch of Singapore's commercial representative office in China June 2. He noted that the expansion of bilateral trade in recent years resulted mainly from the China's opening policy to the outside world and its subsequent economic growth. Bilateral cooperation has potentials, he said, hoping that both Singapore and China will be turned into major trading and tourist countries through concerted efforts of the two sides.

RADIO COMMENTATOR ON SRV TROOP WITHDRAWAL 'TRICK'

OW021351 Beijing in Vietnamese to Vietnam 1400 GMT 1 Jun 86

[Commentary by station commentator Ya Ming: "It Is Difficult for the Vietnamese Authorities To Fool Other People With Their Partial Troop Withdrawal This Year"]

[Text] In a recent statement, the Vietnamese authorities said they would pull out more troops from Cambodia. A high-ranking Thai general said: The so-called Vietnamese partial troop withdrawal is nothing but a troop rotation by openly pulling out troops from Cambodia and secretly sending in more reinforcements. In that way, their troop level remains unchanged.

That is a very correct remark, as experience has shown, for the Vietnamese authorities have, many times in the past, resorted to the trick of partial troop withdrawal from Cambodia. However, they were tricks, pure and simple.

This year's phased troop withdrawal by the Vietnamese authorities is again aimed at two objectives: One, they attempt to make people believe that their situation on the Cambodian battlefield has improved, and two, they scheme to make people believe in the flexibility of their aggressive stance. Nevertheless, developments in the situation on the Cambodian battlefield during the eighth dry season and Vietnam's irrational attitude toward Democratic Kampuchea's [DK] 8-point proposal have made it more difficult for them to attain their objectives.

The situation on the Cambodian battlefield is developing in favor of the DK forces. During the just-ended eighth dry season, DK forces carried out their guerrilla warfare extensively and deep in Cambodia's interior. They successively launched attacks on Phnom Penh, Battambang, and other big cities, scoring many armed exploits. Meanwhile, the Vietnamese troops spread themselves thin to cope with the attacks, and are thus unable to wage a larg-scale dry-season offensive as they did in years past. Mutinies in the Heng Samrin army occurred repeatedly, a rare occurrence in the past. Faced with such a situation, how can Vietnam, which is experiencing troop shortages in Cambodia, stage a phased troop withdrawal?

The Vietnamese authorities try to use the so-called partial troop withdrawal to make people believe in their somewhat flexible aggressive stance, and believe that they have agreed to resolve the Cambodian issue politically. That is merely a futile attempt.

In March 1986, the Coalition Government of Democratic Kampuchea set forth an 8-point proposal for resolving the Cambodian issue politically, and devised a way for Vietnam to phase out its troops from Cambodia without losing face. The proposal says Vietnam can pull out its troops in two phases. After completing the first phase of troop withdrawal, Heng Samrin can participate in negotiations on the establishment of a quadripartite coalition government.

The 8-point proposal, which fully takes into account Vietnam's interests, is a sensible and rational one. But the Vietnamese authorities have irrationally rejected it. Lately, they have spread rumors that if the situation requires, their troops will continue to remain in Cambodia even after 1990.

From the above facts it is clear that the Vietnamese authorities have absolutely no goodwill at all to solve the Cambodian issue politically, that they stubbornly cling to their aggressive stance, and they have isolated themselves in the international arena. They attempt to refurbish their image with the so-called partial troop withdrawal. It is nothing but a futile attempt.

LIAOWANG ARTICLE VIEWS PHILIPPINE SITUATION

HK300315 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 21, 26 May 86 p 27

[Article by Wang Yongsun: "Political Situation in the Philippines Since Corazon Assumed Power"]

[Text] Corazon Aquino, the first female head of government in Philippine history, has been in office for 3 months now. Whether this woman president, considered inexperienced in government affairs, can control the situation, and whether her government can endure -- these are the questions of common concern for people both at home and abroad.

Upon assuming office, Mrs C. Aquino was confronted by a considerably grim situation. The previous regime had left the country in total shambles: turbulent political situation, economic recession, intense social conflicts. Marcos ruled the Philippines for 20 years, and although he has been forced to flee, he still has considerable influence in the country. In particular, his supporters are still quite powerful at the local level. Under such a complicated condition, the new government has rather soberly realized that it is necessary to achieve political stability first before it can talk of economic recovery and development. Hence, Aquino adopted a series of political and economic measures: release of political prisoners and repeal of all autocratic decrees in order to attain national reconciliation and restore peace and order; reorganizatin of the old administration and reshuffling of civilian officials from the national to the local level; issuance of a temporary constitution and abolition of the National Assembly controlled by the old ruling party, reorganization of the military and police hierarchy to rid of the power and influence of Marcos and his cronies (otherwise known as crony capitalists); a freeze and sequestration of properties owned by Marcos and his "crony capitalists" at home and abroad; cancellation of the bureaucracy's capital monopoly of some important economic departments in the Phillipines. President Aquino emphasized that the new government encourages the private enterprises to play its role in economic development and assured that the government would not carry out administrative intervention. She repeatedly indicated that the fundamental objective of the new government's economic policy is "to alleviate mass poverty, create employment opportunities, and equitably distribute the country's wealth." She also announced some measures to reduce the people's burden.

On foreign relations, the new government reiterated that it would strengthen friendly relations with Asian developing countries especially its neighboring states. It would maintain and develop relations with the United States and Japan. It would carry on its military alliance with the United States, but it would also pursue a truly independent foreign policy, giving priority to developing relations with ASEAN and playing a positive role within ASEAN. It would also further strengthen and develop the traditional friendly relations between the Philippines and China.

After coming to power, the new government launched vigorous diplomatic activities and positively sought international support. Up to now, leaders and other high officials from more than 10 countries have successively visited the Philippines. Recently, U.S. President Reagan met with the Philippines Vice President and Foreign Minister Laurel in Indonesia and indicated that the United States supports the new Philippine Government, does not recognize Marcos as president and would increase its aid to the Philippines. Many other countries and some international financial institutions have also provided or expressed willingness to provide financial assistance.

The comparatively sensible policies adopted by President Aquino have won the support of majority of her countrymen. In a public opinion poll held not long ago, 70 percent of the respondents believed that the new policies are good. In the last 3 months, the change of government has not led to turmoil in the Philippines. The economy is beginning to stabilize with the Philippine peso exchange rate remaining firm with slight increase. Prices of basic commodities like gasoline and food have declined. The stock market, which came close to suspension several times, is now bouncing back to life. Foreign investments have increased slightly. The Philippine situation is making a favorable turn and the people feel more reassured.

Nonetheless, President Aquino continues to be confronted by numerous problems and serious challenges.

First of all, unwilling to concede their defeat, Marcos and his "capitalist cronies" are resorting to all kinds of tricks to create disturbances and to attempt to destabilize the new government. Marcos' running mate Tolentino has repeatedly claimed that he and Marcos are still the "legitimate president and vice president" and that he intends to take his oath of office as vice president. Meanwhile, in spite of the abolition of the National Assembly by President Aquino, former ruling party assemblymen were convened by the former assembly speaker and held a "rump session" where they attacked Aquino and the new government. Former local officials all over the country refused to give up power and not a few even gathered forces in preparation for a showdown with the new administration. Particularly noteworthy is that, in late April, Marcos supporters staged successive anti-government demonstrations, creating disturbances and causing death and injuries. Abroad, Marcos had frequent contacts with his supporters in the country and agitated them to carry out anti-government activities. It is not difficult to see that forces supporting Marcos remain a major threat to the Aquino government.

Secondly, it is not an easy job to revitalize an economy which is at the brink of bankruptcy. In recent years, the Philippine treasury has been emptied and its foreign debts have reached $26.9 billion. The economy registered a negative growth rate in the last 2 years. Industrial and agricultural production have basically stopped. The unemployed numbered more than 2.6 million and the underemployed, some 10 million. The people's life is extremely difficult. Thus, when one is poor, one aspires for change.

This is one of the fundamental reasons the Filipino people supported Corazon Aquino to succeed Marcos as president. They urgently hope that the new government could revive the economy and improve their lives.

The problem that the new government faces is that it has no money. In the first quarter of 1986, the financial deficits already amounted to almost 10 billion pesos (about 500 million dollars). The new government had no choice but to cut down on expenditures, raise tax revenues and seek foreign investments and aid. Owing to the fact that the new government still has to announce many of its economic policies, as well as the increase in strikes and disturbances, many of the country's businessmen are not willing to put up more capital and expand production, while foreign investors are also observing the situation. Hence, up to now, the new government still has to acquire huge capital.

Third, the partisan disputes within the government have yet to be resolved. The new government is basically composed of three groups, namely, the PDP-LABAN [Partido Demokratiko ng Pilipinas -- Lakas ng Bayan -- Philippine -- Lakas ng Bayan -- Philippine Democratic Party-Nations' Strength] which supports Aquino, Laurel's United Nationalist Democratic Organizations and the military. They have differences on questions such as the appointment of local officials, the legal status of the government and ceasefire negotiations with the Communist Party of the Philippines.

The conflicts have been relieved following talks and the military leaders repeatedly emphasized that the army will obey the leadership of President Aquino. However, whether the groups could truly unite and cooperate for the sake of the country's overall interest could be decisive to the consolidation of the new regime.

Observers here believe that the further consolidation and development of the new government will still have to go through an arduous road. As long as it can adopt rational policies in accordance with the realistic conditions in the Philippines and the factions within the government strengthen unity, and proper and vigorous policies are taken against the antigovernment forces, then the present difficulties could be overcome and the situation could be further stabilized.

GDR'S HONECKER, STOPH MEET WU XUEQIAN IN BERLIN

OW032138 Beijing XINHUA Domestic Service in Chinese 0733 GMT 3 Jun 86

[By reporter Xing Guimin]

[Text] Berlin, 2 Jun (XINHUA) -- Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the Council of State of the German Democratic Republic; and Stoph, GDR Council of Ministers chairman, today separately met with Wu Xueqian, member of the Political Bureau of the CPC Central Committee, state councillor, and minister of foreign affairs of China.

In a cordial and friendly atmosphere, Honecker and Wu Xueqian recalled their first meeting in the early 1950's. They were particularly pleased to meet again in Berlin after more than 30 years. In 1950, Wu Xueqian, as a member of a Chinese youth delegation, made a trip here and got acquainted with Honecker who was in charge of youth work at the time.

Wu Xueqian conveyed to Honecker the best wishes of General Secretary Hu Yaobang and President Li Xiannian. Honecker expressed his thanks and asked Wu Xueqian to convey his cordial regards to Hu Yaobang and Li Xiannian. Then, Wu Xueqian presented a gift to Honecker from General Secretary Hu Yaobang, a newly published "Pictorial Biography of Engels" autographed by Hu.

During their conversation, both Wu Xueqian and Honecker said they were pleased and satisfied with the positive development of bilateral relations over the past few years. They held that the further expansion of bilateral relations is in the interests of both countries' socialist construction and of world peace.

Stoph and Wu Xueqian had a cordial and friendly conversation. Stoph expressed his satisfaction with the development of relations between the two countries. He hoped that friendly cooperation between the two countries in all fields will be further strengthen in the future.

Wu Xueqian said that the Chinese Government attaches great importance to developing its relations with the German Democratic Republic and is pleased and satisfied with the achievements already made in this respect. He said that both sides should make further efforts to tap the potential of cooperation in all fields.

During the conversation, Wu Xueqian conveyed Premier Zhao Ziyang's regards to Chairman Stoph. Stoph also asked Wu Xueqian to convey his regards to Zhao Ziyang.

GDR foreign minister Fischer, Chinese Ambassador to the GDR Ma Xusheng, and GDR Ambassador to China Berthold were present at both meetings.

Wu Xueqian wound up his 4-day visit to the GDR this afternoon, and left for Budapest. Before his departure, he told the reporters that he was satisfied with the results of the visit, and that his two talks with Foreign Minister Fischer on the international situation and bilateral relations were fruitful. He said that he visited Berlin some 30 years ago, and he was deeply impressed with the great changes that have taken place in all fields of the GDR over the past 3 decades and more. He wished the GDR people greater achievements in socialist construction under the leadership of the Socialist Unity Party and the GDR Government.

WU XUEQIAN ARRIVES IN BUDAPEST; MEETS VARKONYI

OW031937 Beijing XINHUA in English 1929 GMT 3 Jun 86

[Text] Budapest, June 3 (XINHUA) -- Chinese Foreign Minister Wu Xueqian and his Hungarian counter-part Peter Varkonyi today discussed their common concerns about international problems and bilateral relations.

Wu said China now needs a long-term peaceful period to carry out China's socialist modern construction. And, he emphasized, one of the nation's basic policies is to maintain world peace. Varkonyi pointed out that Hungary also strives for world peace and wants to create favorable conditions for the socialist construction.

Both leaders praised the development of Sino-Hungary relations over the years, pointing to the increasing exchanges between the countries in the areas of politics, economy, science and technology and culture, and the heightening level at which these interchanges were made. Both sides expressed the desire to work toward strengthening these ties.

China's Ambassador Zhu Ankang also attended the talks.

Wu, also a state counsellor, arrived in Budapest yesterday evening. The song and dance ensemble of the Communist Youth League, which had toured China in 1958 and 1964, entertained him to an impressive repertoire to his great delight on the same evening.

Signs Consular Treaty 3 Jun

OW031752 Beijing XINHUA in English 1737 GMT 3 Jun 86

[Text] Budapest, June 3 (XINHUA) -- China and Hungary concluded their first consular treaty this afternoon.

The document was signed by Chinese State Councillor and Foreign Minister Wu Xueqian and Hungarian Foreign Minister Peter Varkonyi.

The two foreign ministers in their ensuing speeches shared the view that the treaty will contribute to the development of bilateral relations in the areas of politics, science, technology and culture.

Speaks at Hungarian Banquet

OW040120 Beijing XINHUA in English 0043 GMT 4 Jun 86

[Text] Budapest, June 3 (XINHUA) -- China and Hungary share the common desire of building socialism in a peaceful international environment, visiting Chinese Foreign Minister Wu Xueqian said today.

Speaking at a dinner given in his honor by his Hungarian counterpart Peter Varkonyi, Wu said both China and Hungary are engaged in socialist construction in the context of their specific domestic conditions and need a long, stable and peaceful international environment. This is the major common ground the two countries share, he said.

The Chinese foreign minister is here on the last leg of a nine-nation European tour that took him to seven West European countries and Democratic Germany.

The development of Chinese-Hungarian relations, Wu said, is in the interests of their peoples and world peace. The friendly ties and cooperation between the two countries will continue to expand through joint efforts, he said.

Varkonyi in his toast said Hungary, too, wants peace for its socialist construction and expressed the hope that bilateral relations between the two countries would expand.

LU DONG, ECONOMIC DELEGATION END VISIT TO BULGARIA

OW011024 Beijing XINHUA in English 1016 GMT 1 Jun 86

[Text] Sofia, June 1 (XINHUA) -- The Chinese economic delegation ended its visit to Bulgaria and left for Berlin today after exchanging views with Bulgarian leaders on economic development and experiences in socialist construction, especially in industry and management. During the week-long visit, the delegation led by Lu Dong, Chinese minister in charge of State Economic Commission, visited factories and enterprises in Sofia and other parts of the country. Lu met separately with the Hungarian Chairman of the Council of Ministers Georgi Atanasov, First Vice-Chairman Stoyan Markov, Vice Chairman Andrey Lukanov and the Minister of Trade Khristo Khristov.

Ognyan Doynov, chairman of Bulgaria's economic committee, has accepted the Chinese delegation's invitation for a visit to China at a convenient time.

ROMANIAN PRESIDENT CONFERS WITH MA WENRUI

OW040158 Beijing XINHUA in English 0054 GMT 4 Jun 86

[Text] Bucharest, June 3 (XINHUA) -- Romanian President Nicolae Ceausescu today discussed Sino-Romanian relations during a meeting with Ma Wenrui, vice chairman of the Chinese People's Political Consultative Conference.

Ma praised the great achievements achieved by the Romanian people under the leadership of Ceausescu. Ma arrived here on a one-week trip on May 29. He has already held talks with Tamara Dobrin, executive chairman of the National Council of the Romanian Socialist Democracy and Unity Front. He also visited industrial and agricultural centers and tourist facilities in Bucharest and other countries.

ROMANIAN YOUTH DELEGATION LEAVES SHANGHAI 3 JUNE

OW031306 Beijing XINHUA in English 1134 GMT 3 Jun 86

[Text] Shanghai, June 3 (XINHUA) -- A Romanian youth delegation left here for home this afternoon at the end of a friendly visit to China. During its stay in Shanghai, the delegation visited the Baoshan steel works, the Hongqiao township and the Children's Palace of the China Welfare Institute. Yesterday evening, the Shanghai municipal committees of the Chinese Communist Youth League gave a farewell banquet for the Romanian delegation.

NAVY REPORTEDLY COMPLETES 'EXTENSIVE' EXERCISES

HK031124 Hong Kong AFP in English 1048 GMT 3 Jun 96

[Txt] Beijing, Jun 3 (AFP) -- The Chinese Navy completed one of its most extensive exercises yet in the Western Pacific last month using a fleet of six warships and several bombers, an international military source said here Tuesday. The maneuvers, which were carried out in the East China Sea and the Western Pacific near Iwo Jima Island, marked a major milestone China's longterm drive to develop a "blue-water" naval capacity, the source said. It was not known whether the ships and planes involved had conducted live firing, though mock air attacks were almost certainly involved. Submarines were also thought to have participated though this could not yet be confirmed, the source said. The six destroyers included a 3,250 ton Luda class destroyer based in Qingdao, an eastern Chinese port on the tip of the Shandong Peninsula, as well as several H-6 bombers, the source said. A spokesman for the Chinese Defense Ministry refused to confirm or deny the report, saying only "we don't know."

FOREIGN MINISTRY SPOKESMAN SAYS LI 'STILL RESTING'

HK040814 Hong Kong AFP in English 0732 GMT 4 Jun 86

[Test] Beijing, Jun 4 (AFP) -- Chinese President Li Xiannian, 80, hospitalized last month with what was officially described as a cold, is still resting, a Foreign Ministry spokesman said Wednesday. Spokesman Ma Yuzhen said that Mr Li had "recovered very quickly" from a cold that hospitalized him on May 19 and that his condition was now "very good," but that due to his advanced age he was still resting. It was not known whether Mr Li was still in hospital or not, Mr Ma said.

A former guerrilla commander and veteran of the communists 1934-1935 Long March, Mr Li is one of a handful of old revolutionaries occupying top positions in the Chinese leadership, though his role as head of state is entirely ceremonial, confined to meeting foreign visitors and making visits abroad. He was last seen in public on May 9, when he told Canadian Premier Brian Mulroney that "people like us are almost useless" in reference to the age of first generation communist leaders like himself and top leader Deng Xiaoping, 81.

LIAOWANG CITIES HU QILI ON LITERATURE, ART

HK040658 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 22, 2 Jun 86 pp 4-6

[Article by LIAOWANG Reporter Chen Maodi: "Create an Atmosphere of Democracy, Harmony, and Trust -- Hu Qili Has Heart-to-Heart Talks With Intellectuals in Shanghai"]

[Text] After seeing off Nikola Ijubicic, member of the Presidency of the Yugoslavian League of Communists, in Shanghai on 13 April, Hu Qili, member of the Political Bureau and of the Secretariat of the CPC Central Committee, started his new work schedule. He separately met and had heart-heart talks with city's intellectuals from the world of literature and art and from theoretical, educational, and scientific and technological circles. They had lively discussions on problems related to the building of socialist spiritual civilization, making socialist literary and artistic creation flourish, and promoting theoretical research. participants in the meetings spoke out freely in an atmosphere of unity and harmony.

Theoretical Workers Should Work as a Brain Trust

On the afternoon of 14 April, Hu Qili and Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, had heart-to-heart talks around a table with some people in the social sciences in Shanghai.

Hu Qili said: "In the past, I very seldom discussed problems with comrades engaged in social sciences. Today I invite comrades to gather here for two purposes: First, I would like to listen attentively to your views and opinions on the research in the social sciences, your difficulties in work, and your demands for working conditions. Then we will see what we can do for you in various aspects so that you will be able to make more efforts toward the four modernizations and work as a brain trust for the party and government. Second, I hope all of you will propose problems and suggestions with regard to studies on academic theories. You may speak in all sincerity and frankness; there are no restrictions of any kind."

These opening remarks by Hu Qili immediately enlivened the atmosphere of the meeting. A participant said: At present, some people have a clear picture of the achievements made in economic construction through reform but they cannot make a proper appraisal of successes scored in the building of spiritual civilization.

Hu Qili said: It is necessary to conduct in-depth studies of building spiritual civilization. In publicizing spiritual civilization, we should not let people believe that we now stress the spiritual civilization simply because there have been some troubles with our economic structural reform. This is not true. Our economic restructuring has actually promoted unequaled prosperity and progress in the national situation. What is more is that it has put an end to the long-standing state of closing our country to international intercourse and has had an extremely great impact on traditional, ancient, and backward ideas. If we had not opened to the outside world and not developed the commodity economy, the mental outlook of the people would have not changed so greatly. If we all review changes in our ideology and mentality in the past few years, we will find that our knowledge, mentality, and method of thinking are quite different from what they were in the past. Such great changes have resulted from the growth of the productive forces and the development of the commodity economy. The development of economic and technological exchange with foreign countries and the development of the commodity economy have smashed the fetters of outworn concepts, helped people clearly see the gap between our country and other countries in the world in the economic and technological fields, broadened their horizons and way of thinking, aroused their fighting spirit, and filled them with enthusiasm for making progress.

Another participant at the meeting raised a question of common interest: How should we view negative factors emerging in the development of the commodity economy, and how should we view the relationship between unhealthy tendencies and reform and the opening up policy?

Hu Qili said: Since we developed the commodity economy and opened our country to the outside world, some negative factors have indeed emerged, such as corrosion by he corrupt ideology and lifestyle of the bourgeoisie and reaspearance of the remnants of feudal ideology. As long as equal attention is paid to building material wealth and to developing socialist culture and ethics, we can reduce negative things to the minimum. We should not come to the conclusion that "we have successfully built material wealth ut we have failed to build socialist culture and ethics" only because of the emergence of some negative factors. People make endless comments about our party's work style, but we should make a concrete analysis of these comments.

In terms of major aspects, I think our party's work style is good and healthy at present. Since the 3d Plenary Session of the 11th CPC Central Committee, we have reestablished the ideological line of Marxism, and the party's three important styles of work (integrating theory with practice, forging close links with the masses, and practicing self-criticism) have been developed. Viewing the present situation from this angle, we think even the situation in the 1950's cannot compare with it. No doubt there are indeed some grave unhealthy tendencies such as abusing powers and becoming corrupt.

Where did these unhealthy tendencies come from? I think it is wrong to say that the appearance of these unhealthy tendencies has nothing to do with the policy of opening up to the outside world and invigorating the domestic economy, but I think it is just as wrong to say that the root of unhealthy tendencies lies in reform and the opening up policy. The appearance of unhealthy tendencies can be linked to reform and the opening up policy, but it is not an inevitable outcome. Some people hold that it is due to reform and the opening up policy and to the influence of capitalist ideas that cadres engage in trade and run enterprises. But some people do not agree with this viewpoint, because under the laws of developed capitalist countries, government officials are prohibited from engaging in trade. Whoever engages in trade will be regarded as being involved in scandal. If something should go wrong, they will have to leave office; some may also be jailed. Therefore, the fact that cadres engage in trade is a pernicious influence of semi-feudal and semi-colonial buraucratic capitalism and is a special phenomenon under the insufficiently-developed commodity economy. Our conclusion should be that to prevent cadres of all ranks from abusing their powers and engaging in trade, we must further develop the commodity economy to create an environment of balanced competition and further improve our legal system.

Furthermore, with regard to the "network of relationships" bitterly hated by all people, some people say that this is due to the implementation of the policy of opening up to the outside world and invigorating the domestic economy. But Hu Qili holds that this is not in keeping with the facts. He said: First, this phenomenon existed long before the implementation of the policy of opening up to the outside world and invigorating the domestic economy; second, given a developed commodity economy in capitalist countries, kinship and clanship are not important and the relationship between people is an undisguised relationship of money. The "network of relationships" that exists in our society has precisely developed from the Chinese economic basis with a profound feudal influence and very underdeveloped productive forces. For this reason it is neither the reform nor the opening up policy that has brought about the "network of relationships." On the contrary, only by making further efforts to carry out reform and the opening up policy will it be possible to really smash the "network of relationships." Unhealthy tendencies are a social phenomenon. If we try to find their roots only from ideology, morality, and ethics, it is not sufficient. It is man's social being that determines his thought and economic basis determines the superstructure. These are the basic tenets of Marxism. Through developing socialist culture and ethics, we must prepare the poublic for developing the newborn productive forces and pave the way for establishing and improving a new economic system. Of course, much remains in fundamentally improving our party's style of work. We must first strengthen education and then strictly enforce law. We will take 2 years to concentrate on this work. If it is not enough, we will take 10 year. It is my belief that we will certainly achieve our goals.

When specialists in social sciences participating in the meeting spoke on their ideas and suggestions on how to develop the social sciences, Hu Qili listened attentively and made notes.

Then he said in all earnestness: We badly need theoretical guidance in further carrying out reform and the opening up policy and promoting the modernization program. Theoretical work should be geared to reform and the four modernizations.

It is hoped that all workers in the social sciences will attach importance to studying problems of immediate significance, particularly major theoretical and practical problems related to our social modernization and economic restructuring, and that they will solve major theoretical and practical problems facing us by applying the basic tenets of Marxism, work hard as a brain trust for the party and government, take an active part in work of making policies for reform, and develop the science of Marxism in the course of advance. At present, theoretical workers must be especially encouraged to make bold experiments. Leading comrades of our party at various levels should make efforts together with workers engaged in social sciences and comrades on ideological and cultural fronts to create an environment and atmosphere of democracy, harmony, mutual trust, and mutual understanding.

A Frank Exchange of Views With "Three Old Men"

On the afternoon of 15 April, a limousine stopped in front of the guesthouse where Hu Qili was staying. When three gray-haired old men got out of the car, Hu Qili immediately stepped forward to greet them. They shook hands warmly and exchanged greetings. Then Hu Qili took the arm of one of the three, and they moved into a sitting room together.

The three old men were Yu Ling [0060 0134], Huang Zuolin [7806 0146 5059], and Zhang Junxiang [1728 7436 4782], three well-known veterans in the world of literature and art and film circles. Hu Qili smiled broadly and said to them: "Upon my arrival in Shanghai, I said that I wanted to call on you three. Because of my pressing schedule, I have had to invite you to come here. Today I would like to lend an attentive ear to your views on the current situation in literary and artistic creation."

Huang Zuolin said: "I have worked as a stage director for 50 years, and also worked as a film director for a time. Stage plays have slumped in the past few years. But like symphonic music, there has recently been an improvement."

Hu Qili asked: "Isn't this the first time in years that a Chinese festival of Shakespeare plays is being held in Beijing and Shanghai?"

Huang Zuolin said happily: "Such a grand occasion is seldom seen even in the world. The festival offers 25 performances in Beijing and Shanghai simultaneously."

Hu Qili said: "Will the festival greatly influence the world?"

The three old artists nodded.

Then Hu Qili asked again: "Do those who engage in literary and artistic creation still have misgivings? Since the 3d Plenary Session of the 11th CPC Central Committee we have not stuck political labels on any writers and artists, nor have we resorted to big sticks or launched any mass movements. So are you convinced of what we have said?"

The three old artists answered in the effirmative: "We are now convinced and do not have any misgivings about these things. However, some people are not quite sure of how to reflect present-day life, and a very few people even think that they are at a loss as to what to do."

Hu Qili said: "All comrades who participate in the creation of literature, film, or drama should know that the party's policy of literature and art is very clear to everybody. We adhere to the general orientation that literature and art should serve the people and socialism. Meanwhile, we also uphold the principle of creative freedom and allow writers and artisits to reflect life according to the law of art. In recent years we have done what we said. This is quite obvious to everybody. Of course, some people still have misgivings and are afraid of changes. This is understandable. However, there is one way that we can match our deeds to our words: We will not launch any mass movements, resort to big sticks, stick political labels on people, nor make people the targets of criticism or attack. Questions of right and wrong in literary and artistic creation should not be settled through administrative decrees or measures. There may be some criticism of new works of literature and art, but this is normal discussion, helping improve literary and artistic creation and enliven ideas guiding creation in literature and art. There should be no big sticks or even knives in such discussion. I make this point clear now and hope that all of you will set your minds at rest. In literary and artistic creation and theoretical studies, there must be an environment of democracy, harmony, and friendly terms as well as an atmosphere of mutual understanding, mutual trust, mutual support, an working with one idea and one will.

On hearing that some people advocate making a few commercial films and entertainment films, Hu Qili said that we can make some, but we must still have some monumental works. China should have such works. He said: China should have epic films. There are many great things about which China can feel proud. They can be reflected in monumental films. When people see such films, their national spirit should be aroused. We have relied on our own efforts in developing atmic bombs, hydrogen bombs, and carrier rockets and in building large projects such as the Gezhou Dam. These are all great things! Our writers and artists must delve deep into the realities of life. In the future, whenever large projects are under construction, we will invite our writers and artists to the worksite so that they can fully reflect the heroic deeds and mental attitude of the workers there and so that people can realize that the Chinese nation is a great nation.

Yu Ling said: "When such films are made, they will be more valuable than commercial and amusement films!"

Hu Qili said: "You are right. It is no good if we do not have the national spirit and the spirit of the times. The 'Great Cultural Revolution' has really left us some wounds. However, if we only just write about the wounds, we will be unable to meet the demands of our times. We must guide people to look ahead, to work hard, and to advance."

Artists Must Have the Whole World in View While Taking Root in Our Own Territory

On 16 April, Hu Qili invited some people in literature and art, film, and television circles to a 1-day forum. All the participants were attending the Shanghai Forum on Literature and Art Creation. They brought the opinions, demands, and appeals they had heard at the large forum to the small one, making the atmosphere more lively.

Dramatist Sha Yexin said something about recent positive trends in Shanghai's theatrical circles. He said: In the first half of last year, the Shanghai People's Art Troupe gave a total of 44 performances, but in the second half of the year, it gave more than 100 performances. It had large audiences. This year the situation is even better. There are two reasons for this: 1) the situation of economic reform and opening up is good; and 2) the party's policy on literature and art is more stable.

In recent years no one has become the target of criticism. The good policy on literature and art has brought a good situation in literature and art circles.

Aesthete Jiang Kongyang said: "Policies mapped out since the third plenary session enjoy popular support. We give wholehearted support to these policies and hope that they will be carried out continuously. This concerns the development of our socialist literature and art. Writers must have freedom of creation. They must have a high sense of responsibility as well. They must create well-planned and high-quality artistic work so as to educate and nurture the successors to the cause of the four modernizations."

Hu Qili said: What you have said is quite right. We hold the same view. Our party has been in power for 37 years. It has passed the age of 30, or the period of youth, and has become more mature after taking a tortuous path and summing up experiences. Comrade Yaobang often tells the comrades in the Central Secretariat that there are many experiences and lessons to sum up when we review the party's history. During the Yanan period, we criticized Wang Shiwei, and later criticized Hu Feng. During the "Cultural Revolution," we criticized the "three-household village." These experiences and lessons tell us that in the long run, all conclusions which were drawn by means of launching political movements, wielding big sticks, and turning ideological problems into political problems and then taking organizational measures to inflict punishment cannot hold water. In no case should ideological problems be solved through organizational measures. We must adhere to the policy of letting a hundred flowers blossom and a hundred schools of thought contend. We must convince people, guide people, and encourage people to speak out what is really on their minds, rather than always checking, investigating, attacking, and suppressing those who air different views, especially those who make sharp criticisms. This kind of abominable behavior should never be repeated. This is a profound historical lesson that the whole party should always bear in mind. Of course, we must continue to make normal literature and art comment, carry out normal academic discussions, and conduct criticism against erroneous trends, including bourgeois liberalism. But when doing so, we must convince people by reasoning and do more ideological work instead of launching political movements and attacking people from all sides.

Wu Yigong, director of the film "Old Story of the Southern Part of a City," said that at present there are two problems in film making: pursuing box office profits and being divorced from reality.

Hu Qili asked: "Why is it divorced from reality?"

Wu Yigong answered: "Because some comrades feel it is difficult to make realistic films or to get them passed."

Yu Benzheng, director of the film "Sunrise," said," "I am not afraid of being a director. The main problem is still the lack of good plots. I am interested in making films reflecting the reform and those having epic characteristics. All earnest and serious directors are disgusted with low-taste films."

After hearing what the participants said, Hu Qili said: We are now in a time of great transformation. The situation on all fronts is very good. This situation has entrusted our literature and art workers with a task of reflecting the current great transformation now occurring in China. For this reason, literature and art workers must study Marxism and, at the same time, must find out about the national situation and reality and gain an intimate understanding of the masses.

Film and television have become powerful instruments for the construction of spiritual civilization. They are an effective means for the minority to influence the majority. We must occupy this position with wholesome socialist works so as to enrich the people's cultural lives and encourage them to work hard and advance. We must strive to achieve the unity of politics and art.

Hu Qili said: Just like the growth of plants, which need soil, air, and nutrients, the growth of literature and art workers also needs suitable objective conditions. Our duty is to work as hard as possible to provide writers and artists with necessary conditions. The comrades in the Central Secretariat have all agreed that in the future, the opinions of the leading comrades on film and television works should be regarded as their own opinions, not final conclusions. It is better to let the masses judge, which is good, because they are the best judges.

At the forum with people from scientific, technological, and educational circles, after hearing the opinions and suggestions of the participants on reform in these fields, Hu Qili emphasized that in the construction of the four modernizations, talented people are the most precious. We must create conditions for the growth of young people. Young students always like to make use of every opportunity to express themselves, to show their talent, or to make certain contributions. This is good. Our attitude toward this should be: First, not to lavish praise on them; and second, to guide them so that they can fully display their wisdom and abilities. We must not regard university students as small children but must arouse their consciousness so that they can educate and manage themselves well. We must advocate "self-support, self-discipline, and self-improvement" among the students and encourage them to blaze new trials. Young students must strive to know more about reality and come into contact with the society. All intellectuals must do the same. While firmly grasping the implementation of the policy on intellectuals, we must once again encourage them to go deep into the realities of life, maintain close links with the masses, and gain a deeper understanding of the society. This is of great significance to the growth of intellectuals and to giving better play to their roles.

'DOUBLE HUNDRED' IMPACT ON HISTORY EVALUATED

HK031141 Beijing RENMIN RIBAO in Chinese 2 Jun 86 p 5

[Article by Li Kan: "The Rise and Decline of the Double Hundred Policy and the Growth and Withering of History Study" -- capitalized passages published in boldface]

[Text] Full of enthusiasm and joy, Chinese cultural and academic circles, including historiographic circles, and vast numbers of intellectuals 35 years ago hailed the announcement of the policy of "letting a hundred flowers blossom and a hundred schools of thought contend." They widely agreed that this decision showed the authorities' full confidence in Marxist theory and the superiority of the socialist system, signifying the emergence of a new situation in which science and culture would boom. Reviewing history since the spring and autumn and the warring states periods, we see no dynasty or government during the long eras of feudal society and semicolonial, semifeudal society dared to implement such a policy. In making the important decision to adopt the double hundred policy in the cultural field, the CPC took original steps in enriching Marxism, effectively bringing the enthusiasm and initiative of cultural and academic circles into play.

Soon after that, theoretical, literature, and historiographic circles, as well as on campus, performing stage, and movie screen, presented a flourishing scene and were full of vitality. The policy also had an impact on historiography as an important discipline of social sciences. Inspired by this policy, historians launched heated discussions on many issues concerning historiographic theories and historical truth. We can still feel the vitality of circles at that time if we review newspapers and magazines of the period.

History never follows a perfectly straight path. For various reasons, correct principles are often not properly implemented, or are even distorted and destroyed. In 1957, just 1 year after the double hundred policy was introduced, the "unusual spring" arrived, and the political situation changed abruptly. An expanded "antirightist" struggle turned aside all of a sudden the double hundred policy relating to cultural and academic fields. Some issues regarding ideological understanding and academic research were classified as political issues, while different opinions on academic theories were regarded as "anti-party and antisocialist" "rightist views." The two figurative terms "fragrant flowers" and "poisonous weeds" were cited as concepts to distinguish between the revolutionary and the reactionary in the political realm. In fact, the two concepts "fragrant flowers" and "poisonous weeds" seemed to be clearly defined in themselves, and it is very difficult to draw a demarcation line between them. Moreover, "fragrant flowers" and "poisonous weeds" were not identified and sorted out based on social practice and scientific analyses guided by the principle of seeking truth from facts, but rather on the "attitude" of certain authoritative figures in the political arena. As the "leftist" guiding ideology had been further emphasized and the erroneous theory of "taking class struggle as the key link" had been put forth, "a hundred schools of thought" were simply grouped into "two schools," namely, the proletarian and bourgeois schools. The slogan of "fostering proletarian ideology and eliminating bourgeois ideology" was later introduced in the ideological field. Then followed the desperately turbulent period of "Great Cultural Revolution," during which the action was further escalated to such a degree as to "exercise dictatorship over the bourgeoisie in the ideological field in an all-round way." As the "leftist" mistake developed to an extreme, the double hundred policy was fully destroyed and totally forsaken.

To be sure, history and reality are linked together as different stages of the process of development. However, according to common rules and the usual way of thinking, the objects and questions to be studied by historians are after all past events, many of which even happened centuries or several thousand years ago. All these past events can never intervene in or even have direct links with practical politics. A comprehensive and thorough study of the history of human society that results in a correct and scientific understanding can of course provide us with inspiration and a reference in observing our current situation, understanding our national conditions, and predicting the future. Generally speaking, however, the study of history cannot exercise direct influence on current policies, the national economy, or the people's livelihood. But the development of the situation is always unexpected. As the double hundred policy was destroyed, history study also fell into dire straits. Apart from all these common causes, there were also some special causes and practices that obstructed, interfered in, and undermined the implementation of the double hundred policy in the field of historiography.

FIRST, BEING ACCUSED OF "USING THE PAST TO DISPARAGE THE PRESENT" AND "DRAWING AN ANALOGY BETWEEN THE PAST AND THE PRESENT," SOME CRITIQUES ON HISTORICAL EVENTS AND HISTORICAL FIGURES WERE LINKED TO PRACTICAL POLITICS. AS A RESULT OF IRRELEVANT COMPARISON AND STRAINED INTERPRETATION, HISTORICAL PHENOMENA AND HISTORIOGRAPHIC CRITIQUES THAT ACTUALLY HAD NOTHING TO DO WITH PRACTICAL POLITICS WERE DENOUNCED AS ATTACKS "WITH ULTERIOR MOTIVES."

The most typical tragic case was the so-called criticism of the plays "Hai Rui Dismissed From Office" and "Hai Rui Scolds the Emperor" by Wu Han. It created a furor at the time. The slogan of "making the past serve the present" could have had positive significance if it was interpreted based on historical materialism and applied in a scientific manner, but it would result in wrong and unjust political verdicts if it was interpreted arbitrarily or for a pragmatic purpose, or even used as a tool to attack a rival. Out of goodwill and concern for the cause of the state and the people, some historians sincerely wish to serve socialism through the study of history. In order to draw lessons from history, they naturally had to comment on certain historical figures' merits and demerits as well a their just and evil characters. This was one of the historians' aims in launching discussion about a series of historiographic issues, such as the issues concerning the criteria for "honest and upright officials," the appraisal of historical figures, the "concession policy," the heritage of ancient virtues, and so on. Wu Han had displayed great enthusiasm and sincerity in those discussions. So Wu Han, who wrote the play "Hai Rui Dismissed From Office," became the first victim in the 10 years of internal disorder. And the "gang of four," who persecuted Wu Han to death by condemning him for "using the past to disparage the present," eventually further developed this very trick, with which they had charged other people, into "historisgraphy by innuendo." The evident example of such a practice was the so-called drive of "appraising legalism and criticizing Confucianism," a clumsy political farce.

"All those who use the past to disparage the present shall be executed, together with their relatives," was a method repeatedly used in frequent "literary inquisitions" in the history of feudal society of China. It is a dark and lamentable legacy from the long feudal autocratic system of China which should have been forsaken and buried. However, China has a too long feudal tradition, and some ideological influence remaining from the feudal society can hardly be wiped out at one stroke. On the other hand, some matters in the reality of life have similarities in ancient history; thus, it is easy to link them or draw analogies between them. Linkage between reality and history plus conjecture and subjective assertion usually will cause some people to be condemned for "using the past to disparage the present." The consequence is suffering on the part of historians and the decline of historiography.

As historiography is a science, it is inadvisable to "use the past to disparage the present" and to draw historical analogies in handling historical subject matter and the relations between the past and the present. In fact, these are not scientific methods and are of no use for elaboration of the objective laws of historical development. But, since we are implementing the double hundred policy, there is no need to ban such forms of criticism. Even if some people have cited historical facts to "satirize" the dark side of socialist society, this is nothing to be surprised about. Satire on the dark side of things and castigation of evildoers and evil deeds are a kind of useful criticism. We must have full confidence that all honest and upright historians who support the party and socialism will not caluminate their country and the people's cause in "using the past to disparage the present."

SECOND, WE SIMPLIFIED COMPLICATED AND DIVERSIFIED HISTORY AND CONDUCTED ABSOLUTE APPLICATION OF THE CLASS STRUGGLE VIEWPOINT AND THE CLASS ANALYSIS METHOD. History is formed by the practice in many spheres of human social life and by many factors of human social life. It is a unity of diversified elements and a merger of many factors. However, no matter how complicated historical phenomena are, there are still objective laws governing it, and there is still a development trend to follow. Concerning studying and analyzing complicated historical phenomena, Marx and Engels discovered a basic scientific viewpoint and method, that is, the method of historical and dialectical materialism.

In analyzing and understanding the history of a class society, the class struggle viewpoint and class analysis method are the most powerful theoretical weapons. However, if we understand it in terms of absolutes and in a one-sided manner, or if we regard it as a rigid formula and dogma, then this correct method would become erroneous. Like any other branch of science, historiography requires researchers to make great and arduous efforts to pursue truth honestly. However, for a fairly long time, people have had a simplistic understanding and conducted simplistic application of historical materialsim. In the years in which quotations from Mao Zedong were applicable to everything, the following passage was often cited: "Class struggle -- some classes triumph, other are eliminated. Such is history, such is the history of civilization for thousands of years. To interpret history from this viewpoint is historical materialism; standing in opposition to this viewpoint is historical idealism." True, this may afrer all be accepted as a pithy summary of the basic principle of historical materialsim, but if the contents of historical materialsim can be fully expounded on by this short passage of less than 100 characters, why is it necessary to study and understand historical materialism repeatedly? If the matter is really so simple, all research into the theory of historiography and all study and discussion of historical phenomena, events, and figures would be redundant. It would only be necessary to apply this quotaiton and a historical issue, however complicated, would be resolved immediately. Under a socialist system, under which classes have basically been eliminated, we adopted the method that is used to handle class struggle to deal with cultural and academic matters and to treat intellectuals. As a result, we abandoned the double hundred principle, hushed up our cultural and academic circles, and turned the oases in our historiography into deserts.

One consequence of the practice of simplication was inevitably the narrow scope of historical research and the little variation of research topics. We "regarded class struggle as the key link" in studying all history, ancient or modern. As a result, class struggle became a branch of science applicable to everything. For a long time, there were only a few topics of study and research known to everybody in both the syllabus of history in our higher education institutions and the research tasks for our research institutes. These topics were repeated time and again for many yars. Some people even held that it was only necessary to teach the history of peasants' wars in teaching courses of ancient history and history of anti-imperialist struggle in teaching courses of modern history. We taught and conducted research into little or nothing about the branches and topics of history that we should have taught and made research into, such as social history, cultural history, ethnic history, religious history, city history, communications history, education history, military history, history of legal system, and history of marriage.

Another consequence of the practice of simplification was inevitibly academic self-isolation. Since we thought that all history, ancient or modern and Chinese or foreign, was nothing but a history of class struggle alone, we believed that all the diversified historical figures were eigher good or bad people and either positive or negative people and that all foreign historiographic schools, theories, or works were bourgeois in nature that were not worth paying any attention to or were something that we could throughly refute at a single stroke by wielding the weapon of class struggle. As a matter of fact, how can there be such a simple history or such a simple branch of science? Simplifying complicated history, treating scientific historical materialism as dogmas, and closing the Marxist historiographical system, which was originally open, hindered the training and growth of a generation of historians as well as gave rise to depression and poverty of history. Even now, this heavy evil consequence is shown in many spheres and is hindering the development of our historiography.

THIRD, THERE WERE TOO MANY TABOOS AND FORBIDDEN ZONES DIFFICULT TO BREAK. Free discussion and brave exploration should be allowed for all sciences, including historiography. There is no need for and should not be any taboo or "forbidden zone." There has never been any person who said that research into certain historical topics was not allowed, even less has there been any clear order to ban such research. However, there were so many campaigns of criticism and a political atmosphere in which the practice of branding people with labels, wielding the big stick, and seizing people's mistakes ran rampant. One would violate taboos and be condemned both in speech and writing if one talked a little about Wu Xun, the "Secret History of the Qing Dynasty," Li Xioucheng, or Hai Rui. Who dared to touch those "hot" topics? One might often violate taboos even in talking about ancient history, but in 1958, people were suddenly called to "stress the present, not the past" in academic research. This slogan was very unclear for historical research and was therefore very difficult to implement. Even if it was not so, how could we "stress" research related to the "present" at that time? Normally, we should allow academic research into and discussion of many major historical topics that are related to current politics and policies or related to relatively recent politics and policies as long as no party or state secret is touched by the research or discussion and as long as no domestic or diplomatic policy is violated. This is not only necessary for heightening the level of our historical research and the academic value of our historiography and improving its social functions, but also facilitates widening historians' field of vision and enables them to understand state affairs. However, there were in fact some invisible "forbidden zones" concerning the research of many major historical topics of practical significance. For example, except for a few pamphlets and writings of a propaganda nature, even now there have been very few or even no special works published about major world historical events such as the war of resistance against Japan, and agrarian reform. Even less have there been any people who are interested in the history of the CPC, the history of the struggle and cooperation between the CPC and Kuomintang, and the history of figures who were politically relatively complicated and who played important roles in history.

All these phenomena are abnormal and regretful. They were all the result of the disruption of the double hundred principle by "leftist" poison. The twists and turns that we encountered in implementing the double hundred principle in the 30 years and the prosperity and depression of our historical research in the 30 years have provided us with a lesson of great weight: In order to make our socialist culture and sciences develop and prosper and in order to train outstanding and talented scientific and cultural workers, we must persist in implementing the double hundred principle and we should by no means change, even less abolish, this principle. This matter is vital to the destiny of our country and people and a matter that determines the good rule and prosperity in our country. Our experience of twists and turns in this sphere is still fresh in our memory.

What is very heartening and exciting is that since the 3d Plenary Session of the 11th CPC Central Committee, our whole country has entered the best period since the founding of the PRC. So has the whole cultural and academic undertaking, including historiography. When we review the 30 years since the double hundred principle was put forth, we are entirely able to foresee that Marxist theory will be creatively developed in the procecss of building socialism with Chinese characteristics and that under the guidance of Marxism, China's historiography will continue to develop and prosper. A review of the history is aimed at carrying out the construction better now and opening up our future. How people long for the emergence of a long standing prosperous socialism in our motherland!

HUBEI SPIRITUAL CIVILIZATION STRATEGY MEETING ENDS

HK210857 Wuhan Hebei Provincial Service in Mandarin 1000 GMT 19 May 86

[Text] A Wuhan discussion meeting on the strategy for building spiritual civilization concluded in the meeting hall of the Wuhan City CPC Committee this afternoon. The specially invited representatives from places including Beijing and Shanghai, and some 200 responsible comrades, experts, and professors from Wuhan discussed the great plan for building socialist spiritual civilization. Zhu Houze, director of the Propaganda Department of the CPC Central Committee, attended this discussion meeting and conveyed the important speeches of responsible comrades of the central authorities on building spiritual civilization.

At the discussion meeting, comrades including Qin Chuan, a CPC Central Committee member and former director of RENMIN RIBAO; vice minister of culture Gao Zhanxiang; Zhang Youyu, a famous jurist and vice chairman of the Law Committee of the NPC; Peng Peiyun, vice minister of the State Education Commission; Ru Xin, vice president of the Academy of Social Sciences of China; and (Luo Guojie), vice president of China's People's University, respectively explained the dialectical relationship between building spiritual civilization and building material civilization. They pointed out: Only by carrying out reform in the areas of ideology and culture can we consolidate the achievements in economic reform. They also conducted scientific analysis of and put forward useful suggestions on the history, present situation, and strong and weak points, long-term plan, and current work of the building of spiritual civilization in Wuhan. At the discussion meeting, Wang Qun, first secretary of the Wuhan City CPC Committee, made a report on the strategy for building spiritual civilization in Wuhan. In his report, he put forward a preliminary plan for the strategy for building spiritual civilization in Wuhan City. Many experts hope that after considering the useful views of all quarters, the Wuhan City CPC Committee will revise these views and carry them out. Attending the discussion meeting were responsible comrades concerned of Hubei Province and Wuhan City, including Liu Huinong, Li Erzhong, Deng Ken, Li Zhi, and Wang Zhongnong.

COMMENTATOR'S ARTICLE EXAMINES BRIBERY CASE

HK030203 Beijing RENMIN RIBAO in Chinese 30 May 86 p 4

[Commentator's article: "Here Are Footsteps Going Toward the Abyss of Misery"]

[Text] Chen Jinhuo is no big shot. The reason why this paper carries a report on his case of taking bribes lies in the fact that a lesson can be drawn worthy of our pondering deeply, which should not be negelected just because Chen Jinhuo is not a somebody. "A thousand-li journey is started by taking the first step." The road of initiating an enterprise is so, and so is the road leading to crime. Chen Jinhuo was once a Young Pioneer, a CYL member, and became a CPC member when he was 21; he had worked in earnest for many years in the field of finance and trade. However, in recent years, urged by his burning desire, he had surrendered to his own selfishness, and lost the minimum qualities of a communist cadre totally and completely. In the beginning, he thought that he was taking small advantage of the state, and lost his peace of mind a bit, but the crucial point was that he had made the first step; from that point, he lost control of himself. The journey from a vice manager, who had some control of the substantial power in import and export, to a shameful prisoner took only the short span of 3 years. One ant hole may cause the collapse of a thousand-li dike; a momentary slip has become a lifetime regret. A communist may abuse his power and lead to his own destruction if he fails to conscientiously subject himself to the supervision of the party and people and relaxes his own ideological vigilance. Such a change in quality often begins with the first step of a mistake in a small affair.

When some people engage in criminal activities such as corruption and accepting bribes, they always believe that everything is done secretly. That is of course a subjective, optimistic estimation. The question lies not only in the fact that such behavior as corruption and accepting bribes will eventually be brought to light, but more importantly that such ill-gotten wealth, once snatched, will confront those involved with greater hooks awaiting them, until their souls are dragged down into the abyss of misery. Selfish desire is like a greedy hand, the more it takes, the greater the appetite becomes. When one's eyes see only ever-expanding personal interests, the party and government discipline as well as the law will become nothing in their eyes, and their legs will inevitably take them across the vigilant line of danger!

It was close to 3 decades ago when Chen Jinhuo became a communist; he has only himself to blame for his misery today. However, when all this bitter experience was brought to light, he came to see that for some time in the past, he had become "a kite with its string broken;" he may well serve as a negative example to remind party organizations at all levels: the further we implement the principle of opening up to the world and invigorating the domestic economy, the more necessary it is to strengthen education in the party's basic porinciples and discipline; by no means should we neglect the administration and supervision of party members and cadres. It is imperative to educate and urge every party member and cadre in the economic field to study seriously and to be strict in their demands on themselves, in order to turn themselves into government workers who are firm in politics, skillful in profession, and honest in performing their official duties. Building such a staunch contingent is an important guarantee for the smooth implementation of opening up and invigorating the domestic economy. Chen Jinhuo's footsteps toward the abyss may serve as enlightenment to many people.

BAN YUE TAN ON CORRECTLY VIEWING REFORM PROBLEMS

HK031418 Beijing BAN YUE TAN in Chinese No 9, 10 May 86 pp 4-6

[Commentator's article: "Correctly Understand New Problems Arising From Reform"]

[Text] Economic structural reforms in our country first made major breakthroughs in the countryside, and then also made marked progress in cities, thus achieving great results acknowledged by the whole world in promoting socialist modernization construction. We should note these achievements, and should also soberly realize that we have just taken the first step in the entire economic structural reform with the focus on cities. Urban reforms involve a much wider scope and have greater influence than rural reforms and are more complicated and difficult than rural reforms. We still have to study and settle many complicated problems. At present, a prominent issue is how to correctly view the new situation while the new replaces the old and how to properly solve new problems appearing in the course of this process. This is the key to continuously promoting urban economic structural reforms.

The economic system in our country has begun to change from a rigid system which is overcentralized and too tightly controls the economic activities to a new system suited to the development of the commodity economy and full of vitality. However, we still have to make further painstaking efforts to advance our practice and explorations in order to really establish the Chinese-style socialist economic system which is different from the previous rigid and ossified pattern and is also different from the capitalist pattern. Premier Zhao Ziyang pointed out in his "report on the Seventh 5-Year Plan:" We must "fully realize the arduousness and complexity of the process of the new superseding the old system."

The old system will just vanish gradually, and the new system can only be formed gradually. It is time to complete this course of change. In the period of transition, the new and old systems will coexist and interact on each other. The factors of the new system will increase day after day in the economic activities, but they cannot replace the old system as a whole. Some parts of the old system will continue to exist and function in a certain period. This thus determines that the appearance of various problems and complicated contradictions is unavoidable. People should make full mental preparations for this situation.

Now there is an abnormal phenomenon: All people agree that it is necessary to carry out reform, and no one objects to reform, but after some concrete reform measures were taken, some people felt uncomfortable and unaccustomed and were keen on finding fault with reform measures, raising a great fuss about problems in the course of reform. They might even waver and become doubtful about reforms. This is because these people do not understand the arduousness and complexity of the change from the old to the new and are not mentally prepared for meeting new things and new problems which are unavoidable in the course of reform.

It is because the old road got us nowhere that we need to open a new road through reform. Reform is in line with the inevitable tendency of historical development and is in the interests of the people throughout the country. Meanwhile, reform is extensive, profound, and prolonged social transformation, which will change a closed society into a society open both inwardly and outwardly, will change a long-standing natural economy into a planned commodity economy, and will replace the old system with the new system. Such an extensive and profound change will certainly be a shock to state political life, economic life, and all parts of social life, and will certainly affect people's traditional mentalities, habits, ideas, and lifestyles. The effect will be unprecedented. It is no wonder that this may bring about all sorts of different opinions and views among the people. However, we should raise our consciousness toward reform and overcome blindness. That is, we should correctly understand the characteristics and regularity of this great change, realize its arduousness and complexity, and prepare ourselves for the approaches of various new things and new problems.

Economic structural reform is in fact a huge project of social system engineering. It is a new case to combine the basic principles of Marxism with China's realities and to build a socialist economic system with Chinese characteristics. It will never be plain sailing to fulfill such an arduous and complicated task, and it is impossible for us to avoid all twists and turns. Comrade Deng Xiaoping said at his recent meeting with Greek Prime Minister Papandreou: "We regard reform as our second revolution. Reform began in the countryside. Now the all-round economic structural reforms are being carried out in cities. This is not an easy thing. Our predecessors did not leave any experience in this regard, so we must rely completely on our own exploratory efforts." "Some errors have unavoidably appeared in the course of reform. So long as we continue our reform, errors will certainly continue to appear. We will make efforts to correct the errors, and we will always be firm in carrying on the reform." A famous poet in the Song Dynasty wrote this line: "Some travellers like going along the mountainous path, because they can surmount the mountains one after another." This is also the case in carrying on reform. Carrying on reform is similar to advancing along a rugged and tortuous path which is strange to us. We have to grope our way and review our course after taking each step ahead. So long as we adhere to the correct orientation in our reform and confidently and bravely surmount all difficulties and obstacles, we will certainly be able to reach the great goal.

Undoubtedly, reform will eventually make China prosperous and powerful and will bring real benefit to our people, but this needs time. We cannot hope to reach the sky in a single bound. Each reform step may not necessarily bring real benefit to every person in our society. Sometimes, it is necessary to sacrifice some partial and individual interests for the sake of overall interests; and it is necessary to sacrifice some immediate interests for the sake of the long-term interests. Therefore, we should have a broad vision; we should understand and support reform, and take an active part in the reform; and we should be full of confidence in solving the new problems in the reforms with one heart and one mind so as to promote the process of the four modernizations and to contribute our efforts to the successful fulfillment of the Seventh 5-Year Plan.

TIAN JIYUN APRIL INSPECTION OF FUJIAN DETAILED

HK310825 Beijing LIAOWANG in Chinese No 20, 19 May 86 pp 9-11

[Article by Xu Yiming and Zhang Mingqing: "Uphold Reform, Advance as Pioneers -- Sidelights of Comrade Tian Jiyun's Inspection Tour of Fujian"]

[Excerpts] In April, beautiful azaleas were in full bloom in the mountain areas in northern Fujian, when sturdy rice shoots were dancing in the wind on the fertile fields in the southern part of the province. It was in this late spring that Vice Premier Tian Jiyun of the State Council, who had just concluded his inspection tour in Tiangxi, arrived in Fujian for 9 days of investigation and research. During his stay in Fujian, Comrade Tian Jiyun, together with the leading members of the provincial CPC Committee and government, conducted in-depth investigation and research from coastal, to mountain areas, from the special economic zone to revolutionary base areas, holding discussions with cadres of all levels, workers, peasants and teachers. In the course of his inspection tour, he showed admiration for the accomplishments of Fujian since the 3d Plenary Session of the 11th CPC Central Committee. At the same time, he also seriously studied the new conditions and problems emerging under the new situation.

Making the Horizontal Development of Economic Combination an Issue

Tian Jiyun arrived in Fuzhou at noon on 31 March. On that very afternoon, he made an inspection tour of the Fuzhou no 1 switchgear plant and the Fuzhou transformer plant. The next day, he made an inspection tour of the Fuzhou electric wire plant and the Fuzhou stone-carving handicraft workshop. These enterprises have actively developed horizontal economic combination in reform and have scored marked economic results and social benefits. Tian Jiyun was very happy inspecting these enterprises. He said: "Your way of development is correct. Regarding the entire structural reform of our country, the year 1986 is one of consolidation, digestion, supplementing, and improvement. But concerning horizontal economic combination, a great development with some breakthrough is required."

On 1 April, Comrade Tian Jiyun invited the leading comrades of some enterprises and relevant departments of Fuzhou for a discussion. The directors and managers participating in the discussion. The directors and managers participating in the discussion aired their views freely, and the discussion went on in a lively atmosphere. Several directors reported that in some factories, in which the directors responsibility system is implemented, different opinions existed on how to be a director. Comrade Tian Jiyun pointed out, as the director, manager, or party committee secretary of an enterprise, I think, he should at least act in a double status, bearing responsibility in two respects: he is a representative of the interests of his enterprise's workers and staff as well as the state.

Therefore, in handling problems, he should take into consideration the interests of the workers and staff as well as the state, their immediate, as well as long-term interests, his own enterprise's interests as well as the effects of neighboring enterprises. In the matter of dealing with the workers' economic interests, our principle can only be a gradual improvement in economic development; it should not and cannot be a gradual reduction. However, the range of improvement should be suitable to the rising level of economic development, labor productivity, and economic results; and the improvement should not exceed the level of economic development and labor productivity, which is always rising. As enterprises, they should think more of making contributions to the state.

Importance Should Be Attached to Work in Poverty-Stricken Areas

A focal point of Comrade Tian Jiyun's recent inspection tour of Fujian was that under the excellent situation, attention should be paid to the imbalance in economic development and eliminating weak links in our work, and importance attached to doing a good job in work in poverty-stricken areas.

Upon his arrival in Fujian, Comrade Tian Jiyun told the leading comrade of Fujian: My present trip is to see the developed as well as poverty-stricken areas. He stressed that measures should be adopted in three respects in order to change poverty-stricken areas. First, great determination is needed. Such determination can only be derived from a strong sense of responsibility for the people. Second, an explicit target is required, which is started from local conditions and carried out in a down-to-earth way. And third, there must be powerful measures. At present, the policy on supporting poverty-stricken areas stipulated by the state must be resolutely implemented. The funds allotted to supporting poverty-stricken areas must be spent on some focal points with an overall strategy, such as projects that will beef up local economic strength.

Learning Opening Up in Practice

The way was rough from Anxi, Changyuan, to Xiamen; it took more than 3 hours for the car to spiral up and down. As soon as he arrived in Xiamen, Comrade Tian Jiyun began his inspection activities. He showed great concern for the conditions of imported technology, equipment and raw materials as well as the utilization of home-made parts. He required stepping up the pace of using home-made parts in production, and improving the competitive power of our products in the overseas market. He mentioned three points to the general manager of the Xinhua Electronic Corporation: continuous progress in technology, continuous improvement in quality, and more prosperous business.

When some comrades mentioned the development of joint-ventures, enterprises operated with Chinese and foreign corporation, and enterprises operated with foreign capital Comrade Tian Jiyun said: Enterprises in these categories comprise a very small proportion of China's economy at present. China allows and supports the development of enterprises of these categories in policy and the law. Advanced technologies and managerial experience can be imported through these enterprises. We must look upon this question from a long-term point of views, and not a one-sided, stagnant view. He pointed out, no ready experiences can be followed in opening up in a country like ours, which has adopted a closed-door policy for so many years. We must start everything from scratch, and gradually find our way in the practice of opening up. You have learned much over the past few years, and have made great progress. You should continue to study and to make progress!

Fujian Should Take the Lead in the Four Modernizations

On the train going north, Comrade Tian Jiyun listened to the report of the leading comrades of Fujian Provincial CPC Committee and government the whole evening. In his talks, he pointed out on several occasions that the situation in Fujian is fine. The masses feel good about the political as well as the economic situation. He said even in the poverty-stricken areas, the masses' spiritual characteristics are also fine. It seems that the principles and policies of the Central Committee have struck root in the grass roots and have produced good effects.

According to Comrade Tian Jiyun, it is necessary to have resolute willpower in reforms, opening up and invigorating the domestic economy. It is necessary to see that great changes have taken place in Fujian as a result of reforms, opening up and invigorating the domestic economy as well as the implementation of specific policies and flexible measures in Fujian. If the development in the past relied on reforms, opening and invigorating the domestic economy, we should continue to rely on them for our further development. What should we pay attention to in reforms, opening up and invigorating the domestic economy? This should be taken into serious consideration by the leadership in order to ensure steady and healthy development of all work. Tian Jiyun said with the specific policies and flexible measures stipulated by the Central Committee regarding Fujian, with the leadership of the party committee and government, at all levels, with the enthusiasm and initiatives of the cadres and masses, and with the special economic zone and so many Overseas Chinese, we believe it is entirely possible for Fujian to realize the objective of taking the lead in the four modernizations as proposed by the leading comrades of the Central Committee.

STATE COUNCIL APPOINTS, DISMISSES OFFICIALS

OW032319 Beijing XINHUA Domestic Service in Chinese 0820 GMT 30 May 86

[Text] Beijing, 30 May (XINHUA) -- On 2 April, 3 May, and 19 May, the State Council appointed and replaced a number of state organ officials. It appointed Zhou Ping and Li Dingfan [2621 1353 0416] vice ministers of nuclear industry; Pan Liansheng [3382 6647 3932] vice minister of the chemical industry; Jiang Xi deputy director of the State Council Economic Regulation Office; and Yang Haibo chairman of the China National Commission for UNESCO. It dismissed Teng Teng as vice minister of the State Science and Technology Commission; Wu Lianyuan as vice minister of nuclear industry; and Zhao Zongnai as vice minister of petroleum industry. The State Council also accepted Li Zhengguang's resignation as vice chairman of the Board of Directors of the China National Petrochemical Corporation.

VICE MINISTER VIEWS MACHINE-BUILDING INDUSTRY

HK030323 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 21, 20 May 86 pp 16-17

[Article by Li Anding: "China's Machine-Building Industry Is Faced With a Golden Period of Substantial Development -- He Guangyuan Talks About Opportunities for, and Challenges to, the Machine-Building Industry"]

[Excerpts] Recently, when making an inspection of some machine-building enterprises, Premier Zhao Ziyang pointed out: "Now is a golden period for the development of the machine-building industry. I hope you will all work hard."

The machine-building industry occupies an important position in China's national economy. This is not only because its output value, profits, and fixed assets, as well as the number of people engaging in this production, constitute one fourth of those of national industry as a whole, but also because it should provide all trades and professions with advanced equipment. This is more important. No wonder people have paid much attention to the fact that this industry has sprung out of the "bottom of its valley" and entered a "golden period." This is also why this reporter recently interviewed He Guangyuan, vice minister of the machine-building industry.

He Guangyuan first talked about his understanding of the "golden period." He said: During the period of the Seventh 5-Year Plan beginning this year, China will, undoubtedly, steadfastly continue to follow the road of opening up to the outside world and enlivening the domestic economy. With this background, China's machine-building industry will naturally advance to a new stage. It is faced with great opportunities and severe tests, or, as we have often said, it is faced with new challenges. Naturally, challenges, opportunities, and countermeasures, became the main subjects of this interview.

First Challenge: Shoulder the Major Task and Reduce Imports

He Guangyuan said: According to customs statistics, a total of $17.86 billion worth of mechanical and electrical products were imported by China in 1985. If converted into renminbi, this amount is almost equal to the total output value produced by the machine-building industry throughout the year. As a result of the aggravated "price war," oil prices are unlikely to rise again in the coming year or so. Thus, China's income from oil export will decrease. It can only use its limited foreign exchange to introduce advanced technology and import key equipment. It seems that the time has passed down when it can import large quantities of mechanical and electrical products. Most mechanical and electrical products, especially large-scale and complete sets of equipment for key construction projects, which were imported in the past, have to be produced by our own machine-building departments.

Second Challenge: Improve Export Structure

He Guangyuan said: In 1985, China's export volume of mechanical and electrical products was less than $1.3 billion, comprising only 4.7 percent of the total export volume. However, in advanced industrial countries, this percentage is usually over 40. Recently, our country decided to place the export of mechanical and electrical products in an important position. The ratio between the export of mechanical and electrical products of the technology-intensive type and that of the raw-material-type primary products, and agricultural and sideline products, will become an important indicator of the degree of China's economic modernization. He Guangyuan said that the State Council has already adopted a series of preferential policies to expand exports of China's mechanical and electrical products. They will encourage machine-building enterprises to promote exports.

Third Challenge: Satisfy the Needs of New Industries

He Guangyuan, 56, studied in the Soviet Union just after the founding of the PRC. He has been engaged in technological leading work ever since he returned to our country, and has paid great attention to the influence of the world's new technical revolution on China's machine-building industry. He believes that some of the newly emerging industries, such as new energy resources, new materials, fiber optics communications, laser technology, bioengineering, information industry, and microelectronics technology, have begun to take shape in China.

Most of the equipment they need are not on the list of today's mechanical and electrical products. The machine-building departments must study and attach great importance to these new industries and serve them to the doorstep. This will become a broad field of production.

Fourth Challenge: Increasing Shortage of Energy Resoures and Materials

He Guangyuan said: It is predicted that during the period of the Seventh 5-Year Plan, or even in the entire 1990's, steel products and power supply will still be main factors restricting China's economic development.

Fifth Challenge: Reform and Association Introduce New Life

The current reform of the economic structure and development of lateral economic ties, is a trend conforming to the law of economic development. This is undoubtedly a new stream of life for the machine-building industry, which has a vast field to serve. He Guangyuan said: Economic reform and association will provide the machine-building industry with a good environment.

Conclusion and Countermeasure: Serve the Whole Trade

Machine-building is a big trade. Apart from the Ministry of Machine-Building Industry, many other departments, such as energy, communications, petrochemistry, light and textile industry, urban construction, and war industry, as well as many township enterprises, have the capability of producing machines. Recently, when the Ministry of Machine-Building Industry put some subordinate enterprises under the administration of lower level authorities, the State Council authorized this ministry to exercise the function of management over the whole trade.

To conclude his remarks, He Guangyuan said: To carry out overall management of the whole trade is aimed at serving various departments better. Under this ideological guidance, we must presently do a good job in the following three aspects: 1) to start the work concerning development plans, policies, information, and enterprise combination and gear the management to the orientation of serving the whole trade; 2) to promote dialogue between ministries so as to learn from each other and make up each other's deficiences, and to do a good job of overall management so that the work of all ministries can be prompted simultaneously and in a harmonious way; and 3) to bring tens of thousands of township enterprises into line with professional management so that they may develop healthily under the guidance of relevant policies and with the help of relevant information. He Guangyuan summed up all this in the following remark: The machine-building industry is faced with a "golden period" of substantial development, and will provide more equipment and a better service to various sectors of the national economy.

JIEFANGJUN BAO ON DEMOBILIZATION OF LANZHOU PLA

OW281007 Beijing Domestic Service in Mandarin 2130 GMT 27 May 86

[Text] Today's JIEFANGJUN BAO carries a report on its front page, conveying the latest message from the great northwest. The report says that a great number of demobilized cadres of the Lanzhou Military Region have volunteered to stay in the northwest. A common saying in northwest China is that people would rather move a thousand miles eastward than move a step westward. This outdated idea has begun to waver as a great number of demobilized cadres decided to make contributions in frontier areas and regard the whole country as their home.

The newspaper publishes a commentator's article, particularly for this report, comparing this message to the Song of Honor which has greatly inspired everyone.

MEMBERS APPOINTED TO ARTS FEDERATION PARTY GROUP

HK030837 Beijing WENYI BAO in Chinese 31 May 86 p 1

[Report: "CPC Central Committee Appoints New Members of Party Group of China Federation of Literature and Art Circles"]

[Text] The CPC Central Committee issued a document this month appointing Wu Zuqiang secretary of the party group of the China Federation of Literature and Art Circles, and Liu Jianqing and Yang Li as members of the party group of the organization. These three new members of the party group of the China Federation of Literature and Art Circles are all under 60.

Wu Zuqiang graduated from the music department of the central music conservatory in 1952. After that, he studied for a further 6 years in the Soviet Tchaikovsky music conservatory. He is now an alternate member of the CPC Central Committee, president of the central music conservatory, and vice chairman of Chinese musicians association.

Liu Jianqing graduated in 1947 from the literature and art department of the arts faculty of the united university in north China. He successively held the posts of deputy director of the editing department of WENYI BAO, deputy chief editor of RENMIN WENXUE, and director of the research department of the Chinese Writers' Association.

Yang Li graduated from the print department of the central art college in 1958. He has been teaching and has occupied party and government posts for a long time. He successively held the posts of deputy head of the print department of the central art college and deputy secretary of the CPC Committee of the college.

PAID UTILIZATION OF URBAN LAND DESCRIBED

SK230838 Shenyang DONGBEI JINGJI BAO in Chinese No 39, 19 Apr 86 p 2

[Article by Sun Zhanchang carried in the "Exploration and Study" column: "Preliminary Exploration on Paid Utilization of Urban Lands"]

[Text] The land is closely linked with the livelihood of the people since it is a key resource of the state as well as the basic and irreplaceable capital goods in industrial and agricultural production. Along with the progress of the urban economic restructuring, the people show more and more concern for the issue concerning how to eliminate the tendency of "everybody eating from the same big pot" in terms of land utilization and the issue concerning carrying out the method of paid utilization or urban lands.

The Constitution of our country stipulates that urban lands are owned by the state. This has provided a legal basis for the ownership of urban lands and has created conditions for formulating specific regulations on using and developing urban land resources in a planned and rational manner.

Instead of applying legal and economic means, at present, most of the urban land management departments in the country still apply administrative means for the management of the lands occupied by the units.

This unified way of land management has brought about many malpractices: First, the unpaid utilization of lands has brought about the fact that the units regard and deal with the lands which they have occupied as their own but pay no attention to the economic results in the utilization of lands. Second, some lands are left seriously wasted. Some units requisition more land than they really use and some units even do not use the lands that they have acquired. Third, disputes over land occur one after another and the tendencies of occupying lands in violation of the regulations have not been stopped. Fourth, some units and individuals are engaged in the activities of covertly hiring or dealing in lands. This is not conducive to safeguarding the state ownership of land

Practice has shown that it is good to change the utilization of urban lands from free distribution to lease with payment. That is, the representative organs with property rights delegated by the state, acting on behalf of the state, collect the charges for the use of lands from the units and individuals that use the urban lands, and then hand over to the state a certain portion of the funds that they have collected as land taxes. In the official written reply to the overall urban development plan of the capital made in July 1983, the CPC Central Committee and the State Council had set forth a requirement for "collecting charges from the units using lands." In accordance with this requirement, Fushun City began to carry out the work of collecting land charges on a trial basis from 1984, and has achieved good results with it.

There are the following advantages in doing so: First, it is advantageous to the state to exercise the public ownership of the land, and land resources can be developed and used rationally. Second, units can upgrade their understanding of the utilization and management of land so as to tap the potential of urban lands. Third, sources of funds for the construction of urban infrastructure can be created Fourth, this can help maintain a comprehensive balance of the distribution of the lands for various construction projects, and help balance the surplus and shortage of lands so as to bring into full play the best social effect and economic results of land resources. Fifth, disputes over lands can be eliminated: Urban lands can be dealt with in accordance with the law; and the implementation of the urban construction plan can be ensured.

The charges for the use of urban lands should be calculated in terms of the value of the lands occupied and the expenses for maintenance, reconstruction and improvement of each square meter of urban land. In calculating the charges for the use of urban lands, we should also take into consideration the factors for the urban economic development and the economic strength of the industrial and commercial enterprises, and make distinctions between the areas for civilian use and the industrial and commercial areas, and between different sections of areas. Substantial fees should be collected from the units and the individuals that do not properly use or do not use at all the lands they have occupied.

LEADERS PARTICIPATE IN CHILDREN'S DAY FESTIVITIES

Hu Qili, Tian Jiyun Meet Earthquake Victims

OW020538 Beijing XINHUA Domestic Service in Chinese 1222 GMT 1 Jun 86

[By reporter He Ping]

[Excerpts] Beijing, 1 Jun (XINHUA) -- To the 40 children from quake-affected areas in Xinjiang, it was an unforgettable day in their lives; this afternoon they met Hu Qili and Tian Jiyun, members of the CPC Central Committee Secretariat, at Zhongnanhai, home of the party Central Committee.

The 40 children came from Wuqia County and Wupar Township in Shufu Country, Xinjiang. On 25 August last year, the third day after quakes hit these two areas, Hu Qili and Tian Jiyun rushed to the quake-affected areas to express their sympathy and solicitude and deliver relief to the victims.

"Dillinuer!" Hu Qili and Tian Jiyun called to a little Uigur girl. They recognized her at first glance. She was injured in the quake. Comrade Hu Qili dispatched his own car to take the girl to the hospital. After she recovered, Dilinuer wrote a letter to Hu Qili to express her gratitude. Hu Qili and Tian Jiyun sent her replies.

Also present at the meeting today were Wen Jiabao, director of the General Office of the CPC Central Committee; Ismali Amat, minister in charge of the State Nationalities Affairs Commission; and Li Yuanchao, secretary of the CYL Central Committee.

In a bright and spacious conference room, Hu Qili and Tian Jiyun sat together with the children and had a cordial talk with them. Upon hearing that the people of all nationalities in the quake-affected areas have worked together and rebuilt their hometowns under the leadership of the local government, Comrade Hu Qili said: "The spirit of unity in struggle, perseverance, and tenacity displayed by the people of all nationalities Xinjiang's quake-affected areas in combating damages and rebuilding their hometown should be commended and encouraged." Hu Qili said: "Our vast and populous motherland is a big family consisting of many nationalities who are united as one. In order to build a modern socialist power, we must strengthen the unity between the party and the government and between armymen and civilians, as well as among people of all nationalities. Unity means strength which is the fundamental guarantee for achieving sure victory in our cause." Hu Qili said: "Children are the symbols of hope and the future of our country. Efforts of several generations are needed to achieve the goal of catching up with the world's developed countries by the middle of next century. It is hoped that you will carry forward the spirit of unity in struggle displayed by people of all nationalities in China and build our socialist motherland into a more prosperous and powerful country." Hu Qili's speech won roaring applause from the children.

Tian Jiyun then spoke. He said: "I hope that through the current visit, you will love our socialist motherland more dearly and that after your return, you will tell your relatives, friends, neighbors, and classmates what you have seen and heard during the visit, and convey the kind concern and regards of the party Central Committee and the State Council to the people in quake-affected areas." On behalf of the General Office of the CPC Central Committee and the State Council, Hu Qili and Tian Jiyan presented each child an atlas and notebooks. Li Yuanchao also presented the children gifts from the CYL Central Committee and the National Committee for Young Pioneers' Work.

Write Letter to Student

HK290812 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 28 May 86

[Text] The following is a letter written by Hu Qili, member of the CPC Central Committee Political Bureau and secretary of the Central Secretariat; and Tian Jiyun, member of the CPC Central Committee Political Bureau and vice premier of the State Council, on 17 May to Dilinuer, a student of No 1 secondary school in Wuqia County:

Dilinuer, we were glad to receive your letter. We take this opportounity to extend cordial greetings to you, to the people of various nationalities, and to the wounded who were affected by the natural disaster. We understand that following the earthquake, the region's people of various nationalities, under the leadership of the regional CPC Committee and government, have actively fought the disaster areas. They have scored great successes in working hard to restore production and rebuild their home villages. Therefore, we extend warm greetings to them. In addition, we hope that the people of various nationalities living in the disaster areas will unite and rouse themselves so as to strive for new and greater successes in the work of fighting disasters and sending relief to the disaster areas and the work of socialist construction. [Words indistinct] You are taller now than you were before and you look like an older child. How is your illness with your head? We are concerned about your health. We hope that you will fully recover your health, exercise more, study well, be a good student, and master skills so as to continue your efforts in the work of building your home town, Xinjiang, and the motherland. Here's wishing you good health and good academic results.

Hao Jianxiu Speech

OW010600 Beijing Domestic Service in Mandarin 1100 GMT 31 May 86

[Speech by Hao Jianxiu, member of the Secretariat of the CPC Central Committee, marking 1 June International Children's Day; date and place not given -- recorded]

[Text] I am very happy to celebrate the 1 June Children's Day together with young friends today. I would like to take adavantage of this opportopnity, on behalf of the CPC Centrtal Committee and State Council, to extend warm congratulations to the 330 million children and juveniles across the nation and express heartfelt gratitude and cordial regards to those comrades in charge of nursing and educating them.

Children and juveniles are of the generation who will stride into the next century; they are the hope and future of our nation. All of the work we are doing is, in the final analysis, for the new generation. This is the first year of the Seventh 5-Year Plan; it is also a year for promoting the socialist spiritual and material civilizations and for vigorously bringing about a turn for the better in social conduct as quckly as possible. The new situation requires the entire party and society to take further steps to implement the CPC Central Committee's instructions on work concerning children and juveniles in a creative and better manner. The extent of society's civility and morality and the people's mental attitude will certanly have a great impact on the healthy growth, both mentally and physically, of children and juveniles or even on their whole life.

Our country has achieved vigorous progress in all fields including economy, culture, and education in the course of implementing the policy of reform and opening up. The people's living standards have been improving continuously. This has laid a good material foundation for popularizing compulsory education and initiating child-care work. Growing up in such a good environment, the children are robust and most of them are eager to learn and progress. However, we must also note the many unhealthy tendencies in society. The mentality of putting money before anything else, the new version of the knowledge-is-useless theory, unhealthy periodicals and reading materials, and obscene and vulgar audio and video products are exerting a corrosive influence on the minds of children. Excessive dotage on only children has fostered a self-centered mentality among many of them. The whole society must take these problms seriously.

We must pay greater attention to educating children and juveniles in communist ideals, patriotism, collectivism, and revolutionary traditions. It is necessary to foster in them a national dignity and sense of pride. We shoiuld educate them in such a way that they will begin, from a very young age, to integrate their life and study with the lofty ideal of dedicating themselves to national construction in the future. We should also educate them in civility, morality, the legal system, and work ethics. We should cultivate their ability to live and think on their own. In conducting education in communist ideology and ethics among children, we must use such methods that are easily acceptable to them. We should create varied and lively forms by taking into consideration such characteristics as the age of children and juveniles, the stage of their physical and mental development, and their ability to understand.

Educating children and juveniles well and bringing them up as a generation of new communists who can meet the needs of modernization, the world, and the future represent one of the most fundamental taks in promoting socialist spiritual civilization. Our theoretical, literary and art, press, and publishing circles should pay special attention to children and juveniles with a high sense of political resoonsibility by actively providing them with nourishment for the mind that encourages them to exert themselves and make progress. Our party and government organizations, the military, mass organizations, schools, enterprises, and establishments should, in accordance with their specific conditions, make the most of their intellectual resources to do some solid, good work for the healthy growth of children and juveniles. They should give a green light to and provide as much assistance as possible to all undertakings that are good for the healthy growth of children. All party members, CYL members, cadres, staff members and workers, PLA commanders and fighters, and every person in charge of the education of children, juveniles, and parents should have a strong sense of social responsibility for caring for and educating children, shoulder the heavy responsibility of the times, set a good example in stressing civility and social ethics, [words indistinct] in resisting unhealthy tendencies and the residues of feudal and decadent ideas, sow the seeds of spiritual civilization in the minds of children and juveniles with their words and deeds, and play an exemplary role in spiritual civilization for children and juveniles in all times.

Young poioneers and children: You are the flowers of the motherland. The motherland needs you to create and construct in the 21st century. Last year you carried out "Creation Cup" activities in line with Grandma Deng Yingchao's instruction and appeal for fostering a creative aspiration, developing creative abilities, and initiating creative activities and achieved some very gratifying progress in this regard. It is hoped that you will make continued efforts, earnestly study scientific and cultural knowledge with such as attitude as commensurate with your status as masters, acquire the skills needed for serving the people, build up a good physique, develop in an all-round manner -- morally, intellectually, phyisically, and aesthetically -- and become, as quicly as possible, fine educated revolutionary successors of moral integrity who observe discipline and cherish lofty ideals. Comrades in charge of children and juvenile work: The party as well as society place infinite hopes on you. This requres us to unite as one and make concerted efforted to create a new situation in the work of children and juveniles.

Youth Monument Ceremony

OW310824 Beijing XINHUA in English 0812 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- More than 500 young pioneers attended a cornerstone laying ceremony for a momument to the young Chinese heroes held today at the Soong Ching Ling scientific children's part in Beijing.

Hao Jianxiu, member of the Secretariat of the Chinese Communist Party Central Committee, said at the ceremoney that the purpose of building the momument is to let all the Chinese children remember young heroes who laid down their lives for the Chinese revolution, such as Liu Hulian, a girl who died in 1947, and Han Yujuan, who saved a drowning child with her life. "The revolutionary spirit of the young heroes must be carried forward by all children and people today," she said. Young pioneers across the country have donated more than 200,000 yuan for the building of the monument, according to Li Yuanchao, member of the Secretariat of Central Committee of the Chinese Communist Youth League. State Councillor Zhang Aiping, vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference Qian Changzhao and Kang Keqing were present at today's ceremony.

Young Pioneer Sentry Inauguration

OW020508 Beijing XINHUA Domestic Service in Chinese 0756 GMT 1 Jun 86

[By reporter Wang Xiaoyu]

[Excerpts] Beijing, 1 Jun (XINHUA) -- Beijing young pioneers attended a ceremony to inaugurate the "young pioneers' post sentries" at the Monument to the People's Heroes in Tiananmen Square today. The "young pioneers' post sentries" have been set up by the Beijing Municipal CYL Committee, the municipal Education Bureau, and the municipal Committee for Young Pioneers' Work to conduct education in revolutionary tradition among youngsters. Beginning today, selected young pioneers will stand guard at the Monument to the People's Heroes in Tiananmen Square on major holidays and anniversaries of revolutionary events. Hao Jianxiu, He Dongchang, Song Defu, Li Yuanchao, Fan Chongyan, Xu Weicheng, and Chen Haosu attended the ceremony.

Awards Presented

OW312310 Beijing Domestic Service in Chinese 1327 GMT 30 May 86

[Exerpt] Beijing, 30 May (XINHUA) -- An award ceremony for the International Peace Year Chinese Children's Electronic Organ Contest, sponsored by the Soong Ching Ling Foundation, was held at the Great Hall of the People this afternoon. Thirty children between the ages of 4 and 12 received excellent or outstanding performance awards. Hao Jianxiu, Zhu Xuefan, Bainqen Erdini Qoigyi Gyaincain, Yan Jici, Liao Hansheng, Kang Keqing, and Zhou Peiyuan, as well as officials from departments concerned in Beijing attended the ceremony and presented prizes and certificates to the award recipients.

Wan Li, Chen Muhua at Gathering

OW011422 Beijing XINHUA in English 1346 GMT 1 Jun 86

[Text] Beijing, June 1 (XINHUA) -- 50,000 Chinese and foreign children gathered in the Great Hall of the People here to celebrate June 1, International Children's Day. The celebration was organized jointly by the people's government of Beijing Municipality, the Ministry of Culture, the State Physical Culture and Sports Commission and several other organizations. About 20 Chinese leaders, inluding Vice-Premier Wan Li, State Councillor Chen Muhua, and member of the Secretariat of the party's Central Committee Hao Jianxiu, joined the children in watching theatrical performances given in the 10,000-seat auditorium of the hall.

The Great Hall of the People today was decorated with streamers bearing words "Peace, Friendship" in Chinese and English. A variety of amusements including chess, sports exhibitions, film shows, were offered in the hall. All parks, stadiums and children's centers in Beijing admitted children free of charge today. The Children's Palace in Beijing today invited 15,000 children from Beijing's outskirts to use its facilities. Last Friday, a get-together was held in the National Children's Center for 5,000 handicapped children in Beijing.

Peng Zhen Visits Kindergarten

OW011352 Beijing Domestic Service in Mandarin 1100 GMT 31 May 86

[Text] According to the Shanxi People's Broadcasting Station, Chairman Peng Zhen, who is now on an inspection tour in Shanxi, went to Yucai Kindergarten in Taiyuan City on the eve of Children's Day to call on the teachers and children there. In the kindergarten's recreation room, Chairman Peng Zhen watched a show staged by the children. He and the children were photographed together.

Song Renqiong, Deng Liqun at Party

OW311054 Beijing XINHUA in English 1021 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- More than 4,000 Chinese and foreign children gathered at the children's center here today to celebrate their own festival -- International Children's Day. They were attracted by various activities including a get-together, book show and toy sales exhibition. Dressed in colorful costumes, Chinese and foreign children sang and danced gaily. "It's so funny, I like everything here," Faruq Husayn, a 10-year-old Pakistani boy, told XINHUA. Song Renqiong, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, told the children that this year is International Peace Year and peace is the common wish of the world people including children. He asked them to study hard and make contributions to peace, friendship and happiness. Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, Zhou Gucheng, vice-chairman of the National People's Congress Standing Committee, and Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, were on hand.

Chen Pixian in Shanghai

OW020427 Shanghai City Service in Mandarin 0000 GMT 1 Jun 86

[Excerpt] Waves of joy swept the (Zhongfuhui) Children's Palace on the afternoon of 31 May as 6,000 Chinese and foreign children celebrated their own festival. Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee, and leading comrades of the municipal party committee, the municipal People's Congress Standing Committee, the municipal government, and the municipal CPPCC Committee Wu Bangguo, Chen Tiedi, Zeng Qinghong, Mao Jingquan, Wu Ruoan, and Xie Lijuan joined the youngsters in celebrating the 1 June Children's Day. Comrade Chen Pixian extended warm greetings to 1 million children in Shanghai, hoping they become the new generation of people who will inherit the cause of communism from us and pass it on to the next generation. Comrade Chen Pixian also presented books to the children in Shanghai.

Hu Qiaomu Watches Play

OW022336 Beijing XINHUA Domestic Service in Chinese 1403 GMT 1 Jun 86

[Text] Shanghai, 1 Jun (XINHUA) -- Comrade Hu Qiaomu and over 1,000 boys and girls watched the play "Pinocchio" staged at the Children's Art Theater of the Shanghai China Welfare Institute this evening. The Children's Art Theatrical Company of the China Welfare Institute is a professional theatrical group set up by hononary president Soong Ching Ling in 1947. Over the past 4 decades, the theatrical company has created and performed many theatrical works that children dearly love. Prior to the show, Hu Qiaomu thanked the company's staff for its hard work and wrote these words for the company: "Working for children is a glorious case."

Gu Mu, Ulanhu Attend Concert

OW311416 Beijing XINHUA in English 1408 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- More than 1,200 children from Beijing held an evening party in Zhongnanhai, the headquarters of the Chinese Government, to mark the International Children's Day, which falls tomorrow. Two children troupes -- one from Jiangxi Province, and the other from Inner Mongolia Autonomous Region -- sang songs and performed dance and acrobatic items in a hall. In the course of performance, the little actors and actresses walked down the stage to present Chinese Vice-President Ulanhu and State Councillor Gu Mu with flowers and pieces of silk used as gifts for greetings among the people of Mongolian and Tibetan nationalities.

ZHAO ZIYANG INSPECTS COAL SLURRY EXPERIMENT

OW311516 Beijing XINHUA in English 1502 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- Chinese Premier Zhao Ziyang inspected on Friday Beijing no 1 paper mill where coal slurry has been put to industrial use. He had a discussion with officials and experts on the preparation of coal slurry and technical problems related to its combustion. Coal slurry is a kind of low-polluted liquid fuel to replace oil. The technology of using coal slurry, one of the country's key scientific projects during 1981-85 period, passed the state evaluation in January this year. The premier said that the application and popularization of the new technology is of great significance in energy saving. It could lead to more economic gains when the saved oil is used to develop petrochemical products, he said. He urged the State Planning, Economic, and Science and Technology Commissions and the Ministry of Coal Industry to do their best to help the research and spread of the technology. Its development, he said, will depend on personnel training, further scientific research and improved testing methods. The paper mill, China's first enterprise to use coal slurry, has been trying the fuel over the past two years. The mill officials said it saves 22,000 tons of oil, or 1.03 million yuan of the fuel expenses for the plant each year.

LI PENG ATTENDS EDUCATIONAL FILM AWARD CEREMONY

OW291903 Beijing XINHUA in English 1749 GMT 29 May 86

[Text] Beijing, May 29 (XINHUA) -- Two educational films and a TV play, for the first time in China, won prizes here today. The winners were the "World Regained", "Class 2, Grade 5" and "A Limpid Stream", which were given prizes by the State Education Commission.

Li Peng, vice-premier and chairman of the State Education Commission, and other leaders were present at today's prize-giving ceremony. According to a document of the commission, the winners, good at portraying vivid images of teachers, helped promote social understanding of education. "World Regained," a 12-episode TV serial made by the China national television movie center, deals with China's efforts to reform juvenile delinquents. Viewers said that it was a telling exposure of the wounds of the "Cultural Revolution" and true reflection of a new human relationship. The Hubei film studio's "Class 2, Grade 5" is about an old primary school teacher. "A Limpid Stream", produced by the Ermei film studio, tells the story of a college graduate with urban background who went to serve as a teacher in a mountain area. China has 10 million teachers and more than 200 million students, but films and TV plays about them are few. At today's ceremony, Ai Zhisheng, minister of radio, film and television, urged film and television workers to produce more works about education. He said his ministry would work out more reasonable prices for film purchasing and distribution. He also said his ministry will try to open more channels for distribution so that more films and video cassettes about education could go to audio-video education centers, children's palaces, schools and kindergartens.

ZHANG AIPING AT DEFENSE UNIVERSITY EXHIBITION

OW292345 Beijing Domestic Service in Mandarin 1100 GMT 28 May 86

[Text] The National Defense University is sponsoring an exhibition to commemorate the 50th founding anniversary of the Chinese People's Military and Political University during the war of resistance against Japan. An exhibition of historical pictures and documents shows the heroic philosophy of the school that trained over 100,000 military and political cadres with both political integrity and professional competence. This morning, Wang Ping and Li Desheng, Standing Committee members of the Central Advisory Commission, visited the exhibition together with dozens of veteran fighters who graduated from the university.

HU YAOBANG WRITES MONUMENT INSCRIPTION

OW301411 Beijing XINHUA Domestic Service in Chinese 0757 GMT 30 May 86

[Text] Beijing, 30 May (XINHUA) -- According to the JIEFANGJUN BAO, a foundation stone laying ceremony for the monument to the Chinese People's Anti-Japanese Military and Political College was held on 29 May at Qiannanyu Village in Xingtai County, Hebei, which was the former site of the college in the depths of the Taihang Shan. Hu Yaobang, former deputy director of the Political Department of the college and general secretary of the CPC Central Committee, wrote the name of the monument: "The Monument to the Chinese People's Anti-Japanese Military and Political College." Xu Xiangqian, former acting president of the college and vice chairman of the Central Military Commission, wrote an inscription for the monument: "Inherit and Develop the Anti-Japanese College's Glorious Traditions, Strive To Change the Features of the Old Liberated Area." The Chinese People's Anti-Japanese Military and Political College was founded in Wayaobao in North Shaanxi on 1 June 1936 and moved to southeast Shanxi and again to Jiangshuichuan in the depths of the Taihang Shan later. The main campus was located at Qiannanyu village.

FUJIAN'S CHEN GUANGYI MEETS HONG KONG CPPCC GROUP

OW022351 Fuzhou FUJIAN RIBAO in Chinese 16 May 86 pp 1, 4

[Dispatch by Yang Xiaoyang]

[Excerpts] Leading comrades of the Fujian Provincial CPC Committee and the provincial government held a discussion meeting with members of the CPPCC National Committee and the Fujian Provincial CPPCC Committee from Hong Kong and Macao on the afternoon of 15 May. The CPPCC Committee members residing in Hong Kong and Macao are attending the Fifth Session of the Fifth Fujian Provincial CPPCC Committee in Fuzhou. The discussion meeting was held in a warm, sincere, and candid atmosphere. Leading comrades solicited opinions from the CPPCC Committee members residing in Hong Kong and Macao on Fujian's Seventh 5-Year Plan and on the construction of their homeland in Fujian.

The meeting was held in the conference room on the eighth floor of the provincial CPPCC Committee building. Before the meeting began, Chen Guangyi, new secretary of the Fujian Provincial CPC Committee, happily shook hands with the provincial CPPCC Committee members from Hong Kong and Macao, and expressed his welcome to them.

At the start of the meeting, Governor Hu Ping briefed the CPPCC Committee members on several issues in the past year which are of concern: 1) The improvement of the party style and the standards of social conduct; 2) the situation in Fujian's foreign economic relations; and 3) several problems obstructing Fujian's economic development during the Seventh 5-Year Plan.

Then, the CPPCC Committee members from Hong Kong and Macao spoke in turn. They expressed their satisfaction over Governor Hu Ping's frank, sincere, and truthful report. They also candidly put forward opinions and suggestions on Fujian's Seventh 5-Year Plan and on the construction of their homeland.

Comrade Chen Guangyi spoke near the end of the meeting. He first briefed the CPPCC Committee members on the change of the principal leading members in the provincial party committee. He said: The transfer of duties from Comrade Xiang Nan to me was conducted normally and smoothly, and has elicited excellent comments. Then, Comrade Chen Guangyi reported on his inspection tour of nearly 30 counties in 19 prefectures and cities in the province over the past 2 months.

Leading comrades of the provincial government and the provincial CPPCC Committee also attended the meeting.

CHEN GUANGYI ADDRESSES ELIMINATING POVERTY IN FUJIAN

OW020619 Fuzhou FUJIAN RIBAO in Chinese 12 May 86 p 2

[Excerpts] In his report to the Third Plenary (Enlarged) Session of the Fourth Fujian Provincial CPC Committee, Comrade Chen Guangyi explained that the situation for eliminating poverty has become increasingly favorable. He said: Fujian is an open province where special policies and flexible measures are being implemented; and in our work, we emphasize opening the province to the outside and carrying out reforms. This is undoubtedly where our vital interests are. Precisely because we have vigorously carried out reforms and implemented the policy of opening to the outside world during the past 5 years, we have brought about the current excellent situation.

However, we should also clearly realize that a series of rural policies laid down by the party since the 3d Plenary Session of the 11th CPC Central Committee can be summed up as a policy of enabling people to get rich or making the country powerful and the people prosperous. Thirty-seven years after the founding of the PRC, hundreds of thousands of peasant households in some of our old revolutionary base areas, areas inhabited by Han and minority nationalities, remote mounain areas, and offshore island still live in poverty; and a considerable proportion of them have not yet completely solved the problem of food and clothing. This is a problem bearing on the overall situation.

He said: The basic way to eliminate poverty is to use fully favorable local conditions and to turn local natural resources into commodities or a favorable economic conditions. He pointed out four ways to invigorate the rural economy:

1. It is imperative to achieve prosperity by undertaking development projects. Efforts should be made to open up avenues of production to make profits, to develop diversified economic undertakings, and to continue to make full use of natural resources in the sea and mountains.

2. It is necessary to achieve prosperity by opening to the outside world. In other words, we should open the province to the outside world, cooperate with others, and use others' "brains" and funds to develop ourselves.

3. It is critical to achieve prosperity by developing industry. We should make full use of all existing enterprises and technically transform the old ones. At the same time, we should vigorously develop village and town enterprises as well as village and household industries.

4. It is necessary to achieve prosperity by developing our intellectual resources. We should increase our efforts to develop our international resources and make science, technology, education, culture, talented people, and information serve and promote production.

Chen Guangyi said: The provincial party committee has decided to set up a leading group for eliminating poverty in old revolutionary base areas, areas inhabited by minority nationalities, remote areas, and offshore islands. Prefectures (cities) and countries with a fairly large poor area should also establish a similar leading group or administrative body.

Comrade Chen Guangyi pointed out at the session: In implementing preferential policies for poor areas, it is necessary to relax restrictions to the extent possible. Vigorous efforts should be made to effectively carry out such policies.

The mainpoints of these policies are: 1) to further lighten the burden on the peasants; 2) to allow poor areas to implement more flexible and preferential policies and to have greater decision-making power in management and operation; and 3) to enable poor areas to strengthen themselves and to increase their ability to free themselves from poverty. Meanwhile, various prefectures and counties may also adopt some flexible measurs and preferential policies according to local conditions. Concretely speaking, these preferential policies cover the following five aspects:

First, adequate financial assistance is to be given to poor areas. Through the efforts of the departments concerned, a considerable amount of special funds (including loans) has been arranged for helping poor areas in the province this year.

Second, priority is to be given to poor areas in planning for materials. Planning departments at various levels should also assist poor areas in making plans to free themselves from poverty and achieve prosperity and to organize people to implement such plans.

Third, special consideration is to be given to poor areas in reducing or remitting taxes.

Fourth, low- or cut-rate-interest loans are to be granted to poor areas and poor households.

Fifth, preferential policies and flexible measures are to be adopted toward poor areas in such fields as qualified personnel, science, technology, and education. What poor areas need most is qualified personnel. The basic way to solve this problem is for poor areas to train their own qualified personnel. Every institution of higher learning and scientific research institute should establish contact with a poor county to help the latter scientifically and technologically and assist it in training personnel and developing new industries and products.

Chen Guangyi stressed: The problem now is that we have policies and regulations, but they are not effectively implemented or not implemented at all. In some localities in particular the party's policy of enabling people to get rich has not yet been implemented among tens of thousands of households, and some funds and materials for aiding poor areas and households have been embezzled, diverted to other purposes, or have disappeared through th back door. Such cases must be sternly dealt with.

JIANGSU'S GU XIULIAN SPEAKS ON JOURNALISTS' TASKS

OW301117 Nanjing Jiangsu Provincial Service in Mandarin 1000 GMT 29 May 86

[Excerpts] The Jiangsu Provincial CPC Committee held a journalism work discussion meeting on 27 and 28 May. The meeting pointed out: Journalists must fully understand that during the historical period of profound change they are shouldering a glorious task and that they must put the propaganda on economic structure reform and implementation of the Seventh 5-Year Plan above all else so as to better promote spiritual and material civilization.

Comrade Sun Jiazheng, deputy secretary of the provincial party committee, presided over the meeting and spoke on the question of journalism. Gu Xiulian, deputy secretary of the provincial party committee and governor of the provincial government, spoke on the question of reporting and publicizing the implementation of the Seventh 5-Year Plan.

The responsible comrade of the provincial party committee pointed out: In doing propaganda through the press and over radio and television, we must also pay attention to developing a high level of socialist democracy and respect the people's creative initiative. It is necessary to continue publicizing and implementing the policy of letting a hundred flowers blossom and a hundred schools of thought contend and encourage everyone to come out with what is on his mind. In addition, it is necessary to be good at conducting criticism and self-criticism. In order to do propaganda in journalism still better, we must conscientiously improve the quality of journalists and strengthen their training. We must also continuously improve journalism work itself. It is necessary to correct the guiding ideology for journalism, and continuously take a realistic approach and make progress. It is necessary to stress accuracy and promptness in journalism and put accuracy above all else. It is also necessary to improve commentary writing to deepen the masses' ideological understanding.

SICHUAN'S YANG RUDAI CONVEYS HU YAOBANG SPEECH

HK030251 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 2 Jun 86

[Text] According to SICHUAN RIBAO, the provincial CPC Committee convened a gathering of cadres at and above the level of director of departments and bureaus on the morning of 2 June. The partricipants in the provincial CPC Committee's political and ideological work conference were also present. Comrade Nie Ronggui presided.

Comrade Yang Rudai conveyed the spirit of the important speech delivered by Comrade Hu Yaobang during his recent visit to Sichuan. Comrade Hu Yaobang focused on five issues in his speech: 1) the issue of veteran comrades; 2) the issue of new cadres; 3) the issue of defense industry; 4) the situation; 5) Sichuan work issues. He also pointed out the orientation for endeavor in the future: 1) Switch the rural labor force in a planned and measured way to secondary and tertiary industries and send them away to work elsewhere. 2) Take advantage of the strong points of third-line defense industries; and 3) The question of exploiting natural resources and natural gas.

Comrade Hu Yaobang stressed that it is essential to further eliminate the small production concept, improve economic results, and speed up cooperation and development.

SICHUAN: PROGRESSIVES MEET ON TRANSFERRING PLA CADRES

HK030438 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 1 Jun 86

[Excerpts] A Sichuan provincial representatives meeting opened today of the advanced units and advanced individuals in the placement of PLA cadres transferred to civilian work. The provincial CPC Committee, provincial government, and Chengdu Military Region decided to hold the meeting in Chengdu. Attending the meeting are 300 representatives of the progressives coming from all cities, prefectures, autonomous prefectures, and systems and other organs at the provincial level. There are 20 specially invited representatives. Others attending the meeting are Jiang Minkuan, deputy secretary of the provincial CPC Committee and governor; Wan Haifeng, political coimmissar of the Chengdu Military Region; Shao Nong, director of the Political Department of Chengdu Military Region; Liu Haiquan, vice chairman of the provincial People's Congress Stnading Committee; Li Peigen, vice chairman of the provincial CPPCC Committee; Hu Yongchang, Standing Committee member of the provincial Advisory Commission; (Tao Jide), deputy secretary of the provincial Discipline Inspection Commission; and responsible comrades of organs at the provincial level and departments concerned of the Chengdu Military Region.

The meeting opened at 0900. (Cao Zhiming), adviser to the provincial government, presided over the meeting. Comrade Shao Nong spoke at the meeting. Comrade Jiang Minkuan made a report entitled: "Carry Forward the Achievements, Persevere in Reform, and Create a New Situation in the Placement of the PLA Cadres Transferred to Civilian Work in Our Province."

Comrade Jiang Minkuan's report deals with four issues:

1. CPC committees and governments at all levels must resolutely implement the strategic policy decisions of the CPC Central Committee and attach great importance to the placement of the PLA cadres transferred to civilian work.

2. It is necessary to seriously implement the principles and policies on the placement of the PLA cadres transferred to civilian work, to vigorously accept and make proper arrangements for them, to seriously train them, and to rationally employ them.

3. The advanced units and advanced individuals in placing the PLA cadres transferred to civilian work must make important contributions toward the socialist four modernizations.

4. It is essential to carry forward achievements, to make sustained and redoubled efforts, and to create a new situation in placing the PLA cadres transferring to civilian work in our province.

The placement of the PLA cadres transferred to civilian work is a glorious political task which the CPC Central Committee has entrusted to the whole party and all people of the whole country. From 1975 up to the present, our province has accepted and made arrangements from 140,000 PLA cadres transferred to civilian work and 150,000 family members and children of soldiers.

STREET MARKETS FLOURISH IN LHASA, XIZANG

OW210810 Beijing XINHUA in English 0759 GMT 21 May 86

[Text] Lhasa, May 21 (XINHUA) -- Like many other Tibetan hawkers in the market, 67-year-old Zuomaciren, in a typical greasy Tibetan gown, was dripping with sweat as she was busy weighing and selling butter. Yet she has made a fortune by local standards. Early this year, she brought half a ton of butter from her rural hometown to this capital of the Tibet autonomous region and made about 6,000 yuan in less than two weeks. With this money, she started a business selling butter.

Zuomaciren was one of the 4,500 hawkers in Lhasa who have brought prosperity to this once-quiet city by shipping in butter, rapeseed oil, mutton, oranges and many industrial products from the other parts of Tibet and its neighboring provinces or autonomous regions.

Every morning, at 8 o'clock, hawkers, buyers and tourists flock to the seven street markets in Lhasa. Bajiao Street and Chongsaikang are the two largest markets. Many hawkers who come late will, probably, not be able to get a space on the cement shelves along the streets and have to display their goods on the ground.

The goods include colorful garments and shining articles by local artisans, chinaware and cloth brought in from other parts of China, and imported cosmetics and pop music cassette tapes. But the shelves for farm products are the most crowded. "Beef, mutton, butter, eggs, fruit, vegetables and fish always sell well," said an official from the local administration for industry and commerce.

Every morning, vendors bring in more than 10 tons of beef and butter, the most popular food for Tibetans. The official admitted that the prices for butter, beef and vegetables are still high for many local residents, but he also quoted them as saying that "it is better than several years before when these things were simply not available."

He attributed this recent market boom to the official policy of "opening to the outside", including foreign countries and other parts of China, which the Tibetan Government adopted in 1980.

According to Ciduo, local vendors who deal in farm products do not have to pay any tax, and only 0.10 yuan a day for the market service. Vendors from outside Tibet and those who are engaged in service trades only have to pay tax of 2 percent of their transaction volume. Because of the brisk transactions and demand for more goods, the Ihasa city government has decided to set up five more street markets.

YUNNAN PROMOTES LATERAL ECONOMIC TIES WITH SHANGHAI

HK200713 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 18 May 86

[Text] According to a YUNNAN RIBAO report, to date, 14 minority-nationality border prefectures and autonmous prefectures of our province have established on-term and stable economic cooperative relations with 8 suburban counties, 4 urban governments, and 12 urban collective institution management bureaus and formed a new structure for Yunnan-Shanghai lateral economic ties at many levels, through many channels, and in many forms.

Over the past 3 years, the number of projects concluded between our province's minority-national border prefectures and autonomous prefectures and Shanghai has totaled 360, 189 of which have been completed and 108 of which are being carried out. Marked economic results and social benefits have been achieved in lateral economic ties.

At present, economic cooperation between our province and Shanghai has gradually taken the form of joint operations. Some aspects of economic cooperation have taken the form of buying shares or using the other party's brands for their products so as to carry out a joint operation and to divide profits. Some cooperation has taken the form of contracting for providing technological assistance in return for earnings that exceed the stipulated profit level. Some cooperation has taken the form of supplying capital and compensation trade. [words indistinct] these forms have enabled enterprises to make more profits.

YUNNAN, CHENGDU PLA LEADERS VISIT LAOSHAN HEROES

HK030253 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 2 Jun 86

[Excerpt] On the afternoon of 2 June, leading comrades of the Yunnan Provincial CPC Committee and government and Chengdu Military Region visited representatives of a certain border defense unit and of heroes and models. Pu Chaozhu, secretary of the provincial CPC Committee; Liu Shusheng, deputy secretary: Yin Jun, member of the Standing Committee of the provincial CPC Committee and secretary of the Discipline Inspection Commission; Liao Xilong, deputy commander of Chengdu Military Region; and (Zheng Xianbin), deputy director of the political department, visited the representatives of a certain border defense unit and of heroes and models who had engaged in defensive combat in the Laoshan area.

LI XIMING SPEAKS AT BEIJING PEOPLE'S CONGRESS CLOSING

SK022320 Beijing BEIJING RIBAO in Chinese 21 May 86 p 1

[Text] After satisfactorily fulfilling all items on the agenda, the Fifth Session of the Eighth Beijing Municipal People's Congress was successfully concluded at the Great Hall of the People yesterday afternoon. The congress session called on the people of various nationalities and from various circles throughout the municipality to work with one heart and one soul and to unite as one under the leadership of the party and the government, to display the spirit of the foolish old man who moved the mountain and the pioneering spirit, to actively join in the great practice of the Seventh 5-Year Plan, to persist in reform, to pioneer the road of advance, and to exert efforts to successfully fulfill the Beijing municipal Seventh 5-Year Plan for economic and social development.

The executive chairmen of yesterday's congress session were the executive members of the congress presidium, including Li Ximing, Jin Jian, Xu Weicheng, Wang Jialiu, Li Qiyan, Li Guang, Wang Lixing, Wang Xian, Pan Yan, Ma Yaoji, Hou Jingru, Wen Jiasi, Pu Jiexiu, She Diqing, Chen Mingshao, Zhang Dazhong, Xing Jun, Rong Yi, and Xia Qinlin.

At 1500, Li Ximing declared the opening of the session. After that, Ma Yaoji chaired the elections. The congress session elected, through secret ballot, the president of the municipal Higher People's Court, the president of the municipal Intermediate People's Court, and the chief procurator of the municipal People's Procuratorate. Chief ballot supervisors Qi Jialian (female) and Li Qiangou announced the results of the elections.

The session then adopted a report on the municipal Seventh 5-Year Plan and a resolution on the report concerning the Seventh 5-Year Plan submitted by the Fifth Session of the Eighth Beijing Municipal People's Congress, a resolution on the 1986 economic and social development plan and on the 1985 financial accounts and 1986 financial budget, a resolution on the work report of the municipal People's Congress Standing Committee, and a resolution on the work reports of the municipal Higher People's Court and the municipal People's Procuratorate. The session also heard and endorsed a report given by Ma Dazhong, chairman of the motions examination committee of the congress session, on the examination of motions raised by deputies.

Comrade Li Ximing spoke at the end of the session. He said: During the session, all deputies have freely aired their views, and reviewed the remarkable achievements made in various fields during the Sixth 5-Year Plan period as a result of the efforts of the people throughout the municipality in upholding reform and striving to explore, to pool the wisdom and efforts of all, and to work hard. They have planned and formulated a magnificent blueprint for developing the capital during the Seventh 5-Year Plan period. This congress session will exert great and profound influence on the capital's socialist modernization cause.

Comrade Li Ximing said: This session has brought democracy into full play and the deputies have conscientiously performed their duties as the people's deputies and exercised the rights of the people's deputies with a high sense of responsibility. In the course of examining and discussing all reports, the deputies have offered many pertinent and valuable ideas and suggestions. All deputies have put forward many constructive ideas for strengthening urban construction and management of capital; developing educational, cultural, and public health understandings; improving service attitude and raising service quality; ensuring vegetable supplies; developing agriculture in the suburban areas; improving the democratic and legal systems; exerting continued efforts in dealing blows to serious economic crimes and criminal offenses; and strengthening the building of spiritual civilization.

These ideas fully embody the concern, support, and wishes of the people throughout the municipality for the construction of the capital. These ideas will serve as a driving force for promoting all future work in Beijing and for realizing all objectives and task during the Seventh 5-Year Plan period. He expressed the hope that all deputies would continue to conscientiously supervise and examine all fields of work in Beijing in the future and give criticism and suggestions at any time.

The municipal People's Congress Standing Committee, all district and county People's Congress standing committees, and the people's governments at all levels should create conditions for the deputies to perform their duties and make things convenient for them, and conscientiously approach and properly handle the ideas and suggestions raised by deputies.

Comrade Li Ximing emphatically pointed out: The Seventh 5-Year Plan period is a crucial period for reforming the economic structure of our country. This is the first year for implementing the Seventh 5-Year Plan and doing this year's work successfully will be of vital importance. At present, the political and economic situations in Beijing Municipality are good. However, we should also realize that we still have to face many arduous tasks and difficulties. We should actively publicize and earnestly implement the guidelines of this session, uphold the correct orientation of reform, and continue to improve various reform measures.

On the premise of grasping the two civilizations simultaneously, we should give priority to prominently grasping spiritual civilization. We should also vigorously strengthen ideological and political work, further improve the system of holding the people's congresses and other democratic forums, be good at applying legal means to manage economic and other undertakings, continue to march along the path of the 4 directives and the 10 instructions of the central authorities, mobilize the people throughout the municipality, unite with them, display the spirit of the foolish old man who moved the mountain, work with one heart and one soul, pioneer our road to advance, and strive to build the capital of the great motherland into a better and more beautiful place.

In his speech, Comrade Li Ximing also said: The deputies thank Xue Guanghua, the former president of the municipal Higher People's Court, and Wang Zhenzhong, the former chief procurator of the municipal People's Procuratorate, for their contributions to building the legal system in the municipality during their terms of office.

Responsible persons of the municipal CPC Committee, the municipal Advisory Commission, the municipal government, the municipal Higher People's Court, and the municipal People's Procuratorate, as well as the responsible persons of various departments, commissions, offices, and bureaus; some general companies; and the various district and county People's Congress standing committees and governments attended the session as observers. Some NPC deputies elected from Beijing also attended the session as observers, among them being Dong Jianhua and Zhang Binggui, members of the NPC Standing Committee.

The congress session came to a successful end amid the magnificent playing of the national anthem.

FISHING BOAT HELD IN PALAU; 2 CREWMEN KILLED

OW031451 Taipei CNA in English 1427 GMT 3 Jun 86

[Text] Taipei, June 3 (CNA) -- Two Chinese fishermen aboard a tuna trawler were killed by the Coast Guard of the Palau Islands when they were operating in waters near the islands in the middle of last month, according to a report by the Taiwan Provincial Fishery Department Tuesday. The fishing boat and the remaining crew members were still detained in the Palau Islands and their current situation are unknown so far.

Chen Tsai-fa, oceanic fishery section chief with Council of Agriculture said Tuesday that the Palau authorities did not inform the ROC [Republic of China] Government of the incident. According to international law, they should have provided the ROC Government info on the situation of the fishing boat and crew. A fishery cooperation agreement the ROC had signed with the Palau Islands expired in 1983 as many fishing companies here refused to pay US dollar 600 yearly for permission to catch fish in waters near Palau, Chen said.

TAIWAN SEEKS FISHERY PACTS WITH PACIFIC NATIONS

OW031459 Taipei CNA in English 1432 GMT 3 Jun 86

[Text] Taipei, June 3 (CNA) -- The Government of the Republic of China [ROC] is seeking to sign fishery cooperation agreements with the Palau Islands, the Philippines and Micronesia in the wake of a series of fishing disputes involving Chinese fishermen and foreign nations, the Council of Agriculture said Tuesday.

Domestic fishermen did not give their full support to the government efforts to set up the cooperation relations with the nations in the western Pacific because of the stagnancy the deep sea fishery industry has faced in the last several years, the Council said. However, after the recent incidents, such as Argentina's sinking of an ROC fishing boat, in which two fishermen were lost, the Council said fishermen here should change their view and cooperate with the government in seeking fishery cooperation with foreign countries.

OPPOSITION POLITICIANS POSTPONE MEETING WITH KMT

HK041012 Hong Kong AFP in English 1003 GMT 4 Jun 86

[Names as received]

[Text] Taipei, June 4 (AFP) -- A Taiwan opposition group said Wednesday it had postponed a scheduled gathering with the ruling Kuomintang (KMT) amid signs that recent reconciliation efforts were breaking down. The Tangwai Research Association for Public Policies (TRAPP) issued a statement Wednesday putting off a third reconciliation dinner with KMT representatives which was to be held Saturday. The move was intended as a protest against the conviction on libel charges of one of its members, according to the statement, which accused the KMT of manipulating the courts to keep lawyer and TRAPP member Chen Shui-pien from running for a seat in the Legislative Yuan (parliament) in November.

"We don't think it is the proper time to continue any talks," said TRAPP Chairman Yu Ching, who is also a member of the Control Yuan, Taiwan's highest watching body.

"The political conviction not only seriously impaired the exchange of views between the ruling party and the Tangwai but also affected political harmony," the TRAPP statement said.

KMT officials have denied any political interference in the libel case and reiterated their desire to continue discussions despite the soured atmosphere.

Mr Chen resigned his seat on Taipei's city council last year when a district court found him guilty of libelling philosphy professor Fung Hu-hsiung in his magazine by calling the professor a "cheat" and a "liar" and questioning the originality of Mr Fung's dissertation. Mr Fung is a member of the KMT. The high court Friday upheld the lower court conviction but commuted the prison term for Mr Chen from the previous one year to eight months.

At the first reconcilliation dinner on May 10, the DMT unexpectedly agreed to allow TRAPP to open branch offices in Taiwan in a move described by observers as a breakthrough in the country's diplomatic development. Since then, seven TRAPP branches have been opened in cities around Taiwan.

However, two thorny issues remained unresolved after the first two meeting. The two sides failed to settle the question of whether TRAPP would have to register with the Interior Ministry as a civilian group and whether the word "Tangwai," which means "outside the (KMT) party," should be dropped from the opposition group's title.

Mr Chen and two other magazine members also convicted on the same libel charge have been protesting their verdicts with "farewell parties" which have attracted hundreds of people in major cities.

GOVERNMENT URGED TO REFUTE JAPAN HISTORY DISTORTIONS

OW030425 Taipei CNA in English 0248 GMT 3 Jun 86

[Text] Taipei, Jun 2 (CNA) -- The government Monday was urged to lodge protests with Japan by every possible means against its attempt to alter history by covering up its crimes in the "Rape of Nanking" during its World War II invasion of China. Legislator Lin Tung, in a written interpellation, pointed out that a recent CNA report from Tokyo said a newly written textbook on Japanese history was approved May 27 by the Japanese Ministry of Education. The book asserts that the factuality of the "Rape of Nanking" is still under investigation, he said quoting the report. The bloody, barbarous act has been recognized by the world, he said. Today, their efforts to cover up their crimes stem from aggressive Japanese ambitions to revive militarism in Japan, he noted. After Japan surrendered, the late President Chiang Kai-shek gave generous treatment to Japanese, hoping future generations of Japanese not to invade other countries militarily, the legislator said.

Today, 40 years after World War II, this attempt to rewrite the history books concerning the "Rape of Nanking" is indeed noteworthy, he cautioned. Lin suggested that the government adopt the following four steps: 1) Lodge strong protests to the Japanese authorities through the East Asian Relations Association; 2) compile the tragic facts about "Rape of Nanking" into textbooks of various schools here to tell Chinese students about the cruelty of the Japanese in World War II; 3) ask the Museum of National History to collect all materials about the tragedy and publish them and arrange for foreign libraries to carry them to throw light upon Japan's lie; and 4) build a war memorial hall soon to exhibit all pictures about the Japanese aggression against China.

HU YAOBANG ADVOCATES LESS IDLE TALK, MORE PRACTICAL WORK

HK040209 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 89

[Hu Yaobang's Speech to a Restricted Audience: "Too Much Idle Talk by CPC Organs"]

[Text] Comrade Deng Xiaoping proposed not long ago, less idle talk, more practical work. The vital weakness of the style of our cadre contingent lies exactly here. Especially in organs at the central and provincial levels, there has been too much idle talk! Too many cliches! Too many general calls! The ministers, bureaus, departments, sections of some organs at the central level are all speaking of "principle," and all the documents issued to those below seem to be all "central documents," and some provincial and city organs are again talking about "principle."

I often go down to the counties, and ask the comrades there questions of all sorts, and they say the matter was handled based on a "central document" and the spirit of the "Central Committee." When asked which spirit of the "Central Committee" they were referring to they would present me with some documents. When I looked at them, they were either some documents issued by some ministry, or bureau, or some organs under a certain bureau. Some of the documents were even issued many years ago!

Nowadays, mass meetings to "commend" the advanced are the rage, and everybody is awarded a medal. Some people go on selling phony medicine, but they get the medals all the same! Necessary victory meetings, meetings to commend the advanced, meetings to compare and to access merits, and exhibitions may be convened, but the issue now is that there are too many of them. Some are done superficially, going in for formalism, wasting money and manpower, when they all ask for inscriptions from leading cadres.

Comrades, we must refrain from practicising such fraud! Just think, there is always a purpose in our work. We cannot waste our limited energy on endless idle talk, big words, and cliches. Before many young comrades were appointed to leading posts, they were engaged in investigation and research in earnest, now that they are in leading posts, they have been busy dealing with courtesy, and receiving or sending off guests. Will such a style work? Going in for superficiality, performing one's duty in a perfunctory manner simply to win the trust of the higher-ups, all this will not do! Comrades, if our comrades are treating the four modernizations in such a work style, the four modernizations will be hopeless!

Comrades at the central level working at the first front have been to many places in recent years. So have I, and I have been to some backward mountain areas, too. When I was there, some people were moved to tears. It does not mean that we have done a good job there when I mention this, it is just that we seldom go to those places. Comrades, there are more than 10,000 cadres working in central organs, the total number of cadres will be more than 400,000. If everyone of our cadres visit two villages or factories on an annual basis, that will be more than 800,000 villages or factories. If every cadre talks with 10 people on an annual basis, that will be more than 4 million people. You do not know how much it will help us understand the true situation through such visits and talks. However, not many comrades have gone down to grass-roots units; even if they have, the reports they made when they returned were rather dry, with a few insignificant points.

For example, first, the central authorities are required to give them special care; second, the mountain areas should be developed by adapting measures to local conditions; and third, it is necessary to consolidate cadres' style. All this has been written in central documents; is there any need for you to repeat them? The point is, you should help solve specific problems, and help the cadres make progress. Those cadres who are not competent should be removed by the masses and the organizations. This is practical work! If everybody is talking about "principles," they will become cliches in the end. Therefore, the most dangerous thing at present is cadres not going down to the grass-roots units, not going deep among the masses, not discovering and solving problems in a down-to-earth way.

Now we want to loudly appeal to you, and it is imperative that you change your style; at the same time. I am afraid we should have to adopt some measures. The central organs are now overstaffed, there are even more cadres than 2 years ago when streamlining began. I consulted Comrade Ziyang a few days ago, and asked if it is possible to send 50,000 people to those backward regions, enterprises, and villages. They should stay and help in the work there for 2 years. Those comrades who go to grass-roots units under this condition may maintain their urban residence registration and posts, and will be given annual leave.

Some of our high-level organs often shout slogans at the top of their voices, such as going all out to make the country strong, opening a path for advance; but in reality, are they going all out to make the country strong? Are they going in for socialist modernization full of vigor? In my mind, this is not the case with many localities and units! We must think of some measures to change such phenomena of indulging in idle talk but doing no practical work. If such an atmosphere is changed, our work in all respects will make a big step forward.

HU YAOBANG CRITICIZES PARTY MEMBERS BULLYING OTHERS

HK030427 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 97

["Reference Information" by Li Chi: "A Comment by Hu Yaobang"]

[Text] The following is a comment by Hu Yaobang, published for the first time, in the "Selected United Front Documents of the New Period" jointly compiled and edited by the CPC Central Committee's United Front Work Department and its Party Literature Research Center:

"It sometimes happens that some comrades in our party bully or ride roughshod over our friends outside the party. In the event that this has been discovered by higher authorities, they merely apologize. However, if this is never discovered, people have to swallow their anger. What should we do in the future? If problems have to be discovered by higher authorities, then this is rule by virtuous rulers, not rule by law. Shall we tell our friends outside the party that they can always resort to the laws?"

This is one of the comments made by Hu Yaobang in a report presented by the Central United Front Work Department. By now, have CPC cadres changed their attitude toward friends outside the party? I have so far not heard of one who has resorted to the laws.

MING PAO CITES GAO ZHANXIANG IDEAS ON LITERATURE, ART

HK021029 Hong Kong MING PAO in Chinese 2 Jun 86 p 3

["Special Report" from Shanghai: "Gao Zhanxiang on Literature and Art"]

[Text] According to Gao Zhanxiang, "No individual should make the final verdict whether the circulation of controversial works of literature and art should be stopped, nor should anybody act the 'judge', and leading members should not express their opinions rashly." He made this statement to a WENXUE BAO reporter after attending the "Shanghai Symposium on the Strategy for Cultural Development."

He explained: "This doesn't mean that leading members should keep silent, but they should exchange their ideas and views on an equal footing with writers and artists, as their friends, by way of discussion. This, I believe, will be more helpful in the shaping of a harmonious atmosphere."

This standing vice minister of culture acknowledged that a harmonious atmosphere is desired in the literature and art field. He says: "It is unavoidable that some controversial works of literature, and even some mistakes, have emerged in such a big country as ours. We should not become nervous whenever problems or disputes arise. Nor should we easily go in for censure and refutation as happened in the past. It is necessary to enlighten those who hold controversial views. We should not just overthrow them. In this way, harmony will be achieved."

Earlier, Gao Zhanxiang published an article entitled "The Art of 'Trimming' in Work Concerning Literature and Art." The reporter asked him about the relation between "trimming" and "mediating," and he said: "In a certain sense, 'trimming' means 'mediating.' Practice all through the years has proved that regarding some problems emerging in the literature and art field, neither 'regulation by force,' nor 'regulation through empty talk' would work, when 'arbitrary regulation' would turn things topsy-turvy; only 'trimming' has been most effective. When some problems emerge in our work, we should refrain from the style of a tempestuous storm, but adopt the style of a mild breeze and a drizzle. It is necessary to correct the deviation in our work and to give guidance to its action, under the premise that no injuries are inflicted on it, in order to ensure its healthy growth." This he said from the angle of a leading member.

Concerning the literature and art circles themselves, Gao Zhanxiang believes that "things not harmonious enough often occurred between people in the literature and art circles as well as human relations. They reproach each other and get entangled with each other. They are not engaged in a 'dragon boat match,' in which one is catching up with the other, but a 'tug-of-war' in which both sides are offsetting their strength. How can a harmonious atmosphere come into being under such circumstances? Different opinions are unavoidable between people; however, we should not become prejudiced. The unity inside the literature and art circles is the most important, and of universal significance to the shaping of a harmonious atmosphere. Of course, there is also the harmony between writers, artists, and readers and audience to think of."

Therefore, Gao Zhanxiang stressed: In order to create a harmonious atmosphere in the literature and art circles, "it is necessary to rely on the stability of the party policy on literature and art, the continuity of the 'double-hundred' policy, and the self-respect of writers and artists.

Gao Zhanxiang is preparing to write an article entitled "Reflections on Things To Be Guarded Against."

He says: "The application of a complicated solution to a simple problem will make things complicated. But if an oversimplified solution is applied to a complicated problem, such as 'requiring unanimity in everything,' the problem will not only remain unresolved but will become more complicated. The article 'Reflections on Things To Be Guarded AGainst' tries to deal with this question. To my mind, there are 10 points to be guarded against in grasping work concerning literature and art: In guiding ideas, we should guard against 'requiring unanimity in everything'; in leadership style, we should guard against the practice of 'one person alone has the say'; in administrative means, we must guard against 'predomination'; regarding dealing with people and things, we should guard against 'prejudices'; concerning talents in literature and art, we should guard against 'requiring them completeness'; in viewing the situation, we should guard against 'one-sidedness'; in literature creation and criticism, we should guard against 'rushing headlong into action'; regarding controversial works, we should guard against 'making the final say'; regarding those who have made some mistakes when blazing new trails, we should guard against 'knocking them down with big sticks'; and all literature and art units should guard against 'the state of disunity'."

PRC MINISTERS' SONS REPORTEDLY SENTENCED TO PRISON

HK030431 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 97

["Reference Information" By Hung Yung: "Two Sons of Two Ministers Sentenced to 15 Years' Imprisonment"]

[Text] News about the crimes committed by "children of influential families and their associates" is frequently heard these days. Two sons of two ministers have been convicted and sentenced to imprisonment.

He Jing "x" (0149 0079 "x"), son of He Ying, a vice foreign minister, has been sentenced to 15 years' imprisonment for gangster activities and rape. It is said that he was also accused of divulging state secrets to foreign embassies. A son of a certain ex-minister of agriculture surnamed Huo [7202] has been sentenced to life imprisonment for killing another person. His sentence was later shortened to 15 years' imprisonment.

The accuracy of these two piece of news and when all this happened have yet to be investigated and determined.

DIVISION APPEARS IN RANKS OF HONG KONG BASIC LAW GROUP

HK040400 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 85 p 1

[Text] A major split emerged last night in the ranks of the Basic Law Consultative Committee members. Dissidents in the 180-member body say the group's methods simply do not work. Seventeen members have come out into the open with a letter of protest urging the group's executive committee to undertake a penetrating review of the way the group is supposed to operate. The consultative group is not reflecting public opinion accurately, according to the dissidents. One of the innovations the 17 signatories want to see is a territory-wide opinion survey after the consultative committee releases its first report in September next year. And they also want sub-group meetings to be held in public so that people can express their views directly to the opinion-gatherers. One of the 17 members, who wished not to be named, said last night they were generally dissatisfied that the present procedures would not truly reflect the public's views.

PRC AUTHORITY OVER HONG KONG AFTER 1997 OUTLINED

HK040358 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 86 p 1

[Text] After 1997 Hong Kong will be under the "direct authority" of the National People's Congress (NPC), the State Council and the Central Military Commission, which is the highest authority for national defence in China. This was revealed by the deputy director of the Hong Kong and Macao Affairs Office at the State Council, Mr Li Hou, who gave a sketchy outline of the possible relationship between Hong Kong and Beijing in Shenzhen on Monday.

The session of the Basic Law Drafting Committee in Beijing in April agreed on a proposal that the SAR [Special Administrative Region] government would exercise a high degree of autonomy through power delegation by the NPC.

This followed anxiety expressed by some Hong Kong members over the original proposal, which suggested that the SAR should be led by the central government in its administration of the territory.

Analysts believe that China's intention to place Hong Kong's future defence under the Central Military Commission is designed to obviate any possibility of interference with the SAR's defence affairs by regional commands, since the commission is the highest authority in military affairs in China.

On the question of Hong Kong's foreign affairs, it is understood that suggestions from certain Hong Kong Basic Law drafting members have been put to China for a more clearly defined relationship between the SAR and the State Council.

While Hong Kong will, as indicated by Chinese leaders earlier, not come under the Hong Kong and Macao Affairs Office or any other ministry of the State Council, one suggestion is that Hong Kong's operational relationship should be conducted through the Foreign Affairs Ministry of the State Council. The reason is that the SAR foreign affairs and defence will be the responsibility of the central government.

Since the Central Military Commission will be responsible for Hong Kong's defence, there should be a body such as the Foreign Affairs Ministry to help conduct the territory's foreign affairs. The operational relationship -- when confined to that between the SAR and the Foreign Affairs Ministry -- will help reduce any possible direct interference in the internal running of the territory by other central departments, one well-informed source commented.

Under China's constitution, Hong Kong will be a special administrative region directly under the control of the State Council. As such it will enjoy the same status as Beijing, Shanghai and Tianjin as well as all the provinces and the autonomous regions. In other words, it will not come under the control of neighbouring Guangdong Province.

Li Hou Discusses Party Politics

HK030340 Hong Kong SOUTH CHINA MORNING POST in English 3 Jun 86 p 14

[By Stanley Leung and C.K. Lau]

[Text] A senior Chinese official yesterday did not rule out the possibility of the Chinese Communist Party actively campaigning in Hong Kong after 1997 if party politics are permitted.

The sensitive issue of Communist Party activities after 1997 was touched on by the vice-director of the Hong Kong and Macao Affairs Office, Mr Li Hou, at a press briefing following the two-day Basic Law Drafting Committee [BLDC] sub-group meeting in Shenzhen. Mr Li, a member of the sub-group, discussed a wide range of subjects in his one-hour meeting with the press, including Communist Party activities in Hong Kong, the BLDC's work and the status of the Hong Kong and Macao Affairs Office.

Mr Li admitted that the party -- and Taiwan's ruling Kuomintang -- had long been active in Hong Kong, but added that "members would not act (openly) in the name of the parties." He thought the activities of party members should not be conducted in the name of the Communist Party after 1997, as that might mean allowing other groups, such as the Kuomintang, to also operate here. One condition should be that members were not permitted to stand for election in the name of party.

Mr Li added, however, that it would be a different matter if the territory introduced party politics after 1997. "If other political parties have already been set up, then I can't say whether the Chinese Communist Party members would act openly or not," he said.

Mr Li said the issue of whether political parties, and the Communist Party in particular, could be permitted, should not be covered in the Basic Law. Any policy of prohiting the activities of political parties should be controlled by the Special Administrative Region government.

He said there was a possibility that the drafting committee sub-group on political structure might touch on the issue of party politics while it was working on a post-1997 political system. Mr Li said he did not know the current number of Chinese Communist Party members in Hong Kong.

It is the first time a senior Chinese official who is also a party member has gone into detail about Communist Party activities after 1997. Mr Li declined to say whether the Hong Kong and Macao Affairs Office would still exist after 1997. However, he believed there should be a Beijing-delegated office to deal with foreign affairs matters in Hong Kong. He was not sure whether national defence would also be covered by this office.

Turnin to the drafting committee, of which he is secretary-general, Mr. Li disclosed that the mainland members of the sub-group on the post-1997 Beijing-SAR [Special Administrative Region] relationship would visit Hong Kong in July to study the issue.

China's members on the four other sub-groups... political structure, the economy, education and inhabitants' rights -- are scheduled to come here later this year. The main prupose of the visits is to discuss specific Basic Law issues with the Basic Law Consultative Committee members. Mr Li thought it inappropriate for consultative committee members to attend meetings of drafters' sub-groups.

Commenting on reports that the English-language press might be permitted to operate more freely than the Chinese media after 1997, Mr Li said that the English and Chinese press would be given the same treatment.

Meanwhile, in a reference to Mr Li's remark regarding party politics, Executive Councillor Mr Allen Lee said Hong Kong's success could be attributed to its having a representative government with every profession present in the Legislative Council.

He thought it essential to guard against one-party rule, which would be detrimental to Hong Kong. Mr Lee was speaking after officiating at the inauguration of the City Polytechnic of Hong Kong Students' Union.

In another development, drafting committee sub-group member Mr Martin Lee said in Shenzhen that the suggested status of the SAR chief executive was brought up at a sub-group meeting by a Hong Kong member. The member had suggested that the SAR chief should be promoted to the post of state councillor or vice-premier in the Chinese hierarchy after 1997. Senior mainland officials on the sub-group responded that the SAR chief would only be equivalent to the rank of a provincial governor in China. They doubted whether the SAR head should be given any privileges, as the heads of provinces in China were not necessarily state councillors or vice-premiers.

Li Hou Statements Draw Comments

HK040354 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 86 p 1

["Comment" by Michael Chugani: "A Glimpse of Li's Iron Fist"]

[Text] When the opportunity arose two days ago for Mr Li Hou to press a point home to the Hong Kong public, he saw no need for subtle niceties. If you're foolish enough to try something funny like calling out David, we'll summon Goliath. It was a menacing message delivered with a warm smile.

Mr Li knows only too well that Hong Kong harbours no illusions that when it comes to a political tangle with China, a home-grown David, sling and all, is no match for the communist Goliath. As the vice-director of the Hong Kong and Macao Affairs Office, Mr Li is a highly-placed Beijing official whose words should not be taken lightly. Which means when he threatened two days ago to unleash the Communist Party if political aspirants in Hong Kong became too ambitioius, he meant it.

Mr Li's warning was this: Beijing will prevent the Chinese Communist Party from actively campaigning in Hong Kong after 1997. But if Hong Kong is foolish enough to demand political parties here, then Beijing will have no alternative but to allow the Communist Party free rein as well.

What he didn't say, although the implication was loud and clear, was that pitted against the mightly CPC, and fledgling local party would be clobbered. Would Hong Kong want that?

Since the signing of the 1997 agreement China has dropped carefully-timed hints that it is against Western-style politics, especially the party system, being allowed to take root in Hong Kong. Although Beijing is committed to having Hong Kong people run Hong Kong, the message is that there are strings attached to this display of benevolence by a communist regime. What China does not want is a Westminister-type political structure which puts total power in the hands of the people through political parties rather than in the hands of the bureaucrats.

To make sure there is no real competition in the Hong Kong political arena after 1997 that could even scratch the dominance of the Communist Party, Mr Li chose to shake the iron fist, the first of what may well turn out to be a series of shakes.

To be sure, political realists in Hong Kong like Executive and Legislative Councillor Mr Allen Lee saw this coming months ago and hurriedly snuffed out an ambitious scheme to set up a heavyweight political party which he hoped would derive power through its domination of the legislature. "Without Beijing's blessing no political party will ever get into power and administer Hong Kong after 1997," he later conceded.

Editorial Cautions Politics Approach

HK040352 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 86 p 2

[Editorial: "Caution the Key to Party Politics"]

[Text] Subtly, the Deputy Director of the Hong Kong and Macao Affairs Office, Mr Li Hou, has driven home a message from Shenzhen: Hong Kong could be playing with fire if party politics were allowed to develop in the future Special Administrative Region [SAR]. Mr Li's comments logically follow those from the director of the Hong Kong office of the NEW CHINA NEWS AGENCY, Mr Xu Jiatun, who said on Sunday that the future chief executive of the SAR may not be a card-carrying member of the Chinese Communist Party.

Those who orginally put the question to Mr Xu were seeking clarification of whether China would want a predominantly administrative role in Hong Kong through the appointment of a chief executive belonging to the mainland's ruling party. It seems that Mr Xu's answer is a resounding "no."

The following day, mr Li made it clear the situation could be different if party politics were allowed to develop. he came very close to admitting that both the Communist Party and the Chinese Nationalist Party (Kuomintang), whose base is in Taiwan, would hardly stand by idly if such a situation arose.

This is the first time that China has set down a clear line on party politics. Hong Kong must realise that politics could never develop here on traditional Western party lines by excluding the Communist Party. It would be naive in the extreme to think that the National People's Congress would adopot a Basic Law which allowed political parties -- but not its own -- to exist in Hong Kong. And which local party could stand against the might of the Chinese Communist Party?

The course towards Westminister-style politics would mean an open invitation for politicking of a potentially destructive kind, in the sense that struggles for the seat of government with the certain (and only) winner being the Communist Party could extinguish the spirit of the Joint Declaration, which calls for Hong Kong people ruling Hong Kong.

Moreover, any efforts to swamp the political scene and alter its direction through sheer weight of mobilised masses could undermine other fundamental tenets of the Sino-British agreement: the preservation of stability, prosperity, freedoms and lifestyle. Those who espouse the cause of party government should be admired for their direct and broadminded approach to representative politics. But they would be wise to consider whether such politicking would serve exclusively Hong Kong interests.

The question of party politics will come under increasing scrutiny as Hong Kong searches for a model for its future administration. But all alternatives must be weighed carefully before a final decision is made. If politics are opened up to all comers after years of virtually no politics at all, it would be difficult if not impossible to reverse the trend. This great city will be a different place if all the major questions to face it in the future are answered purely from the perspectives, and interests, of the local cadres of the Chinese Communist Party.

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Continuing Talks With India

OW041044 Beijing XINHUA in English 1040 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- The time for the seventh round of talks between Chinese and Indian officials is under consultation, a Foreign Ministry spokesman said at a news briefing here today. When asked at what time the talks will be held, the spokesman said that it would be held sometimes in the second half of this year, for instance, July or August.

Confidence In Macao Talks

HK041306 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1243 GMT 4 Jun 86

[Text] Beijing, 4 June (ZHONGGUO XINWEN SHE) -- Ma Yuzhen, spokesman for the Chinese Foreign Ministry, said at a press briefing today that he had full confidence that China and Portugal would solve through negotiations the issue concerning China resuming sovereignty over Macao. The Chinese Foreign Ministry announced earlier that the talks between China and Portugal on the Macao issue are to be opened in the last week of this month, and Chinese Vice Minister of Foreign Affairs Zhou Nan has been appointed head of the Chinese delegation to the talks.

Chinese-African Student Clash

HK041500 Hong Kong AFP in English 1424 GMT 4 Jun 86

[Excerpt] Beijing, June 4 (AFP) -- Recent clashes between Chinese and African students in Tianjin were not caused by racism but were isolated incidents that could happen in any country, a Chinese spokesman said Wednesday. Officials from the State Education Commission had met with embassy representatives of the countries concerned last Saturday to brief them on the incident, Foreign Ministry spokesman Ma Yuzhen told a weekly briefing.

Mr Ma said the May 24 incident, in which several hundred Chinese students attacked for five hours with bricks and bottles a building in which African and other foreign students were holding a party, was "basically over." "But the Chinese and the foreign students still have different views on this incident," he said. University leaders and authorities in the State Education Commission were "still working on the students to settle this incident properly", he said.

Mr Ma said the incident -- for which each side blamed the other -- was "an isolated one, an unpleasant one" that could happen in any country and "had nothing to do with the so-called racial discrimination of some reports." Following the May 24 clash, 17 African students involved were moved from the campus of Tianjin University to a hotel where they were kept for their own protection for more than a week.

Last Saturday the students fled by foot and bus to Beijing, some 120 kilometres (74 miles) to the northeast, after Chinese policemen awakened them in the middle of the night and told them to leave the hotel immediately because the Chinese students were coming, apparently to beat them.

African and non-African students involved in the incident said that the Chinese attackers had shouted that "the whites can go, but not the blacks." Chinese students said they were seeking a particular African who had hit one of their group on the head with a beer bottle.

WORLD BANK LOAN FOR PRC'S ENERGY DEVELOPMENT

OW031324 Beijing XINHUA in English 0754 GMT 3 Jun 86

[Text] Washington, 2 June (XINHUA) -- The World Bank has approved three loans totalling 307 million U.S. dollars to help China develop its energy sector, a World Bank news release announced today.

One loan of 225 million dollars will be used to help build a thermal power station along the coast of Zhejiang Province. The project will relieve electricity shortages in east China. The coal-fired thermal power plant will use coal from Shanxi Province. The station will have two generating units of 600 megawatts each, two 500 kilovolt transmission lines and associated substations.

A second loan of 52 million dollars from the World Bank will be used in the "cascade" development on the Hongshui River in Guangxi Autonomous Region. The Yantan hydroelectric project includes the construction of the 110-meter-high concrete dam, a spillway, a powerhouse, and a ship lift.

It also includes the installation of four generating units of 275 megawatts each, the construction of two 550 kilovolt transmission lines and three associated substations. The Norwegian Government has agreed in principle to provide consulting services in construction management through a grant of about 2 million dollars.

A 30 million [as received] World Bank loan will assist in the appraisal of Bohai oil corporation's oil and gas condensate discovery in Liaodong Bay in northeast China. The appraisal will comprise seismic data processing, well-drilling and testing, and special studies relating to the Jinzhou 20-2 structure, discovered in 1984.

Besides the World Bank loans, additional funds will come from local banks and other sources.

GORBACHEV URGES INTERNATIONAL NUCLEAR SAFETY BODY

OW040622 Beijing XINHUA in English 0546 GMT 4 Jun 86

[Text] United Nations, June 3 (XINHUA) -- Sovier leader Mikhail Gorbachev today proposed the immediate establishment of an international body to assure "the safe development of nuclear energy" and to prevent disasters like the Chernobyl accident.

In a message to U.N. Secretary-General Javier Perez de Cuellar, delivered by the departing Soviet Ambassador Yuriy Dubinin, Gorbachev said, "It is quite obvious that there is a practical need to start, without delay, setting up an international regime for the safe development of nuclear energy." "Such a regime would be aimed at bringing to an absolute minimum a possibility of the peaceful atom causing harm to people," he added.

Referring to the Chernobyl accident, he proposed that "a system of prompt notification" be set up in the event of accidents and malfunctions at atomic power plants. To do that, "a smoothly operating international machinery" should be established to allow prompt mutual assistance if dangerous situations should arise, the message said.

Existing international organizations should be utilized for these purposes, such as the international atomic energy agency, the World Health Organization, the U.N. Environment Program, the World Meteorological Organization, and the United Nations itself, Gorbachev said. Gorbachev repeated his earlier proposals on nuclear disarmament, including a summit with U.S. President Ronald Reagan on a nuclear test ban.

Dubinin relayed the message during a farewell call on the U.N. secretary-general this morning. Dubinin has been appointed Soviet ambassador to Washington and is expected to assume that office soon.

GORBACHEV, JAPAN'S ABE DISCUSS IMPROVED TIES

OW310158 Beijing XINHUA in English 0029 GMT 31 May 86

[Text] Moscow, May 30 (XINHUA) -- Soviet leader Mikhail Gorbachev, said Friday that good relations between Moscow and Tokyo could be built only on the basis of "the inviolability of the frontiers."

According to the TASS news agency, Gorbachev, during a meeting with Japanese Foreign Minister Shintaro Abe in the Kremlin, said the Soviet Union is ready to "use every opportunity for the development and improvement of relations with Japan on all directions regardless of its ties with other countris." But, he said, relations can be built successfully "only on the basis of reciprocity, given the understanding that no one will be encroaching on the results of the Second World War and the inviolability of the frontiers."

His words, observers here noted, indicate that the Kremlin's position on the thorny issue of the four Soviet-occupied Kurile Islands is still tough. During the discussions, Abe emphaszied the U.S. and NATO's "global approach" to resolving the medium-range nuclear missiles issue, TASS said.

But, Gorbachev expressed "perplexity that it is insistently suggested that the Soviet Union eliminate medium-range nuclear missiles in its eastern part, while the destruction of corresponding nuclear weapons targetted on the country from the territory of Japan and its littoral waters is not required of the Americans." Nevertheless, he suggested to Abe that they seek a joint solution to this problem.

Turning to the Soviet-U.S. summit, Gorbachev said "the Soviet leadership is prepared to consider compromise solution, but never will it make unilateral concessions." The Soviet leader emphasized: "We shall not yield either to political, or economic, or military pressure. Any agreement can be a result of constructive talks only."

Meanwhile, Gorbachev expressed serious concern over possible Japanese participation in the U.S. 'star wars' program, saying that it "cannot but affect the assessment of Japan's foreign policy intentions and Soviet-Japanese relations."

The Soviet leader voiced his "readiness to take steps toward gratifying the requests" for visits by relatives to burial places of Japanese on the Soviet territory "in the spirit of humaneness, respect for customs of the people."

Gorbachev also promised "to pay the necessary attention" to Japanese requests for fishing rights in Soviet waters, adding that it would "approach them not only from the viewpoint of economy," TASS said. During the meeting, Abe handed over the Gorbachev a message from Japanese Premier Yasuhiro Nakasone.

NEWS ANALYSIS VIEWS ABE'S TRIP TO USSR

OW011527 Beijing XINHUA in English 1516 GMT 1 Jun 86

[News Analysis: No Substantial Breakthrough in Soviet-Japanese Relations" (by Shen Yiming) --XINHUA headline]

[Text] Moscow, June 1 (XINHUA) -- Japanese Foreign Minister Shintaro Abe's three-day visit to Moscow, which ended yesterday, has resulted in a cultural agreement byut failed to bring about any progress in resolving the longstanding dispute of the Kurile Islands. On Saturday, the two sides signed a cultural agreement on an expansion of contracts between scientists and scientific institutions, the organization of exhibitions, the exchange of books and publications and a series of other measures to "promote understanding and trust between the peoples of the two countries."

But Abe's visit to the Soviet Union, the first by a Japanese foreign minister since 1978, was primarily aimed at "regularizing" the negotiations on the territorial problem to pave the way for the eventual conclusion of a peace treaty. For four decades, Japan has refused to sign a peace treaty with Moscow unless these northern islands, taken over by the Soviet Union at the end of World War II, are returned. But Moscow maintains that the issue of Soviet-Japanese boundaries has already been resolved and there is no longer any territorial problem between the two countries.

Abe told a press conference at the end of his official talks Saturday that he had made an "exhaustive and unequivocal" explanation of Japan's position on the territorial issue, stressing that a solution to the issue would be most important for developing bilateral relations. However, he noted, the Kremlin's stand toward the issue remained "tough" and there was more than one heated discussion between the two sides.

Earlier, while meeting with Abe Friday, Soviet leader Mikhail Gorbachev emphasized that good relations between Moscow and Tokyo could be built "only on the basis of reciprocity, given the understanding that no one will be encroaching on the results of the Second World War and the inviolability of the frontiers."

Another major topic at Abe's talks with the Soviet side about Japanese citizens visits to their ancestors' tombs on the Kurile islands. Japan maintains that its citizens can visit their ancestors' tombs without Soviet visas because the islands belong to Japan, but Moscow has rejected the claim for years. Gorbachev told Abe that the Soviet Government was "ready to take steps toward gratifying the requests" for visits by relatives to Japanese burial places "on the Soviet territory" in the spirit of humaness and respect for customs of the people.

Abe responded that Tokyo will carefully study Moscow's "steps" but he did not disclose what proposals the Kremlin had made. Abe also discussed with the Soviet side "urgent international problems of mutual interest." The two sides exchanged views on disarmament, Afghanistan, security in Asia and East-West relations, but had "divergences" on these issues.

Gorbachev expressed serious concern over possible Japanese participation in the U.S. "star wars" program, saying that it "cannot but affect the assessment of Japan's foreign policy intentions and Soviet-Japanese relations." Despite their differences on bilateral and internationsl relations, both Japan and the Soviet Union desire to continue their political dialogue and increase their economic and cultural cooperation.

U.S., SOVIET SCIENTISTS TO MONITOR NUCLEAR TESTS

OW042034 Beijing XINHUA in English 1841 GMT 4 June 86

[Text] Washington, June 4 (XINHUA) -- A private U.S. environmental research organization announced Tuesday it had signed an agreement last week with the Soviet Academy of Sciences for joint monitoring of U.S. and Soviet underground nuclear tests. Under the agrement, signed in Moscow on May 28, the Natural Resource Defense Council will establish three seismic-monitoring stations in the Soviet Union within 200 kilometers of its main underground nuclear test site near Semipalatinsk in Kazakhstan. The Soviet Academy of Sciences will set up three stations in the western state of Nevada near the U.S. Department of energy's nuclear test site.

Dr Thomas Cochran, senior staff scientist with the Natural Resource Defense Council, told reporters that monitoring facilities in each nation would be jointly staffed and operated by scientists from the two organizations. Data developed by the seismic stations would be delivered to both governments, he said.

According to a "NEW YORK TIMES" report last Thursday, members of the research organization discussed the plan informally with the Reagan administration before going to Moscow to negotiage with Soviet scientists. Government officials neither objected to the plan, nor made any commitment to go along with it, the newspaper reported.

The United States and Soviet Union have failed to agree on monitoring nuclear tests for a long time. Last July, Soviet leader Mikhail Gorbachev announced a five-month testing moratorium and asked the United States to join in an effort to end nuclear tests. The Soviets have extended the moratorium several times, most recently after the nuclear power plant accident in Chernobyl near Kiev.

The United States, however, has refused to agree to the moratorium, arguing that it could not be effectively verified. Instead, the Reagan administration has been pressing the Soviet Union to agree to on-site monitoring of tests to permit better verification. The agreement, though non-governmental, represents the first time the Soviet Union is ready to carry out a specific plan for on-site inspection.

REAGAN ASKS CONGRESS NOT TO CUT SDI SPENDING

OW040913 Beijing XINHUA in English 0734 GMT 4 Jun 86

[Text] Washington, June 3 (XINHUA) -- President Ronald Reagan today warned Congress that huge spending cuts on the strategic modernization program and the Strategic Defense Initiative (SDI) "would have a severe impact" on U.S. security. Reagan said in a message to Congress that the strategic modernization program, which he submitted to the Capitol Hill in October 1981, was designed to redress the strategic imbalance between the United States and the Soviet Union. The program had to be made the "first priority", which has paid "clear dividends," he added.

Reagan described as an error "the view held by some that we have now spent enough on restoring our strategic capabilities and that we can begin to cut those programs significantly." "In fact, the real benefits of our strategic modernization efforts will be realized only if we complete the tasks that we have begun with the research and development phase," he said.

The President also denounced funding the SDI program at lower-than-requested levels, saying that it would be "most unwise" to delay and further restrict the program, also known as the "star wars project." "If the Soviets unilaterally continue to improve their strategic defenses, our future ability to deter Soviet aggression will be significantly and dangerously reduced," he said. He described as "false" and "dangerous" the theory that strategic forces must take custs along with everything else when budgets are tight. "Every dollar taken from our strategic programs is a victory for potential aggressors," he added.

On the Strategic Arms Limitation Treaty (SALT II), the President said that "it makes no sense for the United States to continue to support the SALT structure while the Soviet Union undermines the foundation of SALT by its continued, uncorrected non-compliance."

He reiterated that "the United States will base decisions regarding its strategic forces on the nature and magnitude of the threat posed by the Soviet Union, rather than on standards contained in expired SALT agreements."

Congressional Democrtic leaders yesterday warned that they will pressure President Reagan to keep the United States within the limits of the SALT II Treaty. They said that the abandonment of the SALT II later this year announced by President Reagan last week could further jeopardize funding for the SDI program.

U.S. TO PROVIDE DENMARK WITH MISSILES

OW040913 Beijing XINHUA in English 0714 GMT 4 Jun 86

[Text] Washington, June 3 (XINHUA) -- The U.S. Defense Department has notified Congress that it would supply Denmark with 336 Stinger missiles and firing systems. The sale of the shoulder-fired air-defense missiles to Denmark is aimed at improving that nation's military capabilities and further standardization among NATO countries, according to the Pentagon.

SHULTZ URGES U.S. AID, INVESTMENT IN PHILIPPINES

OW050616 Beijing XINHUA in English 0548 GMT 5 Jun 86

[Text] New York, June 4 (XINHUA) -- U.S. Secretary of State George Shultz said today that the United States has "an important stake in seeing that President Corazon Aquino's government succeeds." Addressing a luncheon at the New York-based foreign policy association, Shultz disclosed that the U.S. Government is seeking "to make available about 500 million U.S. dollars in economic assistance and over 100 million U.S. dollars in military assistance" to the new Filipino Government which is approaching its one hundredth day in power. Shultz said that more than 90 percent of this aid would be on a grant basis so as not to aggravate the country's debt problem.

"I am bullish on the Philippines," he declared, urging U.S. investors to change their "wait-and-see attitude" on the new government. "The American private sector must get off the dime and look aggressively at investment opportunities." "I believe that the American investors who come in early and for the long-haul will reap large benefits," the secretary said. Shultz added that "the Aquino government should develop plans and programs to lure such capital back home" that had flowed out the country during the Marcos years. He said that he had seen an apparent end of capital flight by U.S. investors.

In late April President Reagan sent a proposal to the U.S. Congress for a substantially increased economic and security assistance package for fiscal 1986 which, Shultz said, "was specifically targetted to support President Aquino's programs for recovery and reform." "This package, which includes a request for a 150 million U.S. dollars supplemental appropriation in the current fiscal year, would accelerate fund disbursements and ease the terms of onging assistance programs," Shultz said.

He also indicated that he had made a personal commitment to President Corazon Aquino when he was in Manila last month that the government of the United States would play a leading role in putting together a major package of financial assistance from the Western world. "All of this," said Shultz, "is a measure of the trust which President Reagan and I have in the new administration in Manila. It reflects our confidence that the government of President Aquino has the talent and determination to deal with the tough problems now facing the Philippines."

Turning to the defense issue, the secretary of state said that contrary to some earlier speculation and press predictions, the U.S.-Filipino base agreements remain firm. "President Aquino has pledged to respect the existing military bases agreement, and to keep open her options for the future," Shultz maintained, adding, "The importance of the U.S. facilities at Subic Bay and Clark field for the security interests of both countries is clearly recognized by the new government."

SHANDONG DELEGATION RETURNS FROM U.S. VISIT

SK040351 Jinan Shandong Provincial Service in Madarin 2200 GMT 3 Jun 86

[Txt] The 7-member Shandong provincial government delegation headed by Governor Li Changan returned to Beijing on the evening of 2 June by an airliner of the China Aviation Administration of China after successfully winding up its 15-day inspection visit to the United States. At the invitation of William A. O'Neill, governor of the State of Connecticut, Governor Li Changan visited the United States.

Governors Li Changan and William A. O'Neill signed an agreement on establishing friendship ties between Shandong Province and the State of Connecticut and a protocol on strengthening economic, trade, and technological cooperation between the province and the state during Governor Li Changan's stay in the state. They also held talks on how to further develop the friendship and cooperation ties between the two parties, and reached a consensus in the talks. Through the visits, the mutual understanding and friendship between the peoples of the province and the state have been promoted and the development of the friendship and cooperation ties between the province and the state have been further facilitated.

TIAN JIYUN TALKS WITH ANNA CHENNAULT

OW041153 Beijing XINHUA in English 1126 GMT 4 June 86

[Text] Beijing, June 4 (XINHUA) -- Chinese vice-Premier Tian Jiyun today exchanged views with Vice-Chairman of the President's Export Council of the United States Anna Chennault and Mr Irving Kaufman on some issues related to bilateral cooperation. State Councillor and Governor of the People's Bank of China Chen Muhua met and feted the visitors at Beijing hotel here this evening.

SOVIET OFFICIAL CRITICIZES U.S. STATEMENT ON SALT

OW041615 Beijing XINHUA in English 1553 GMT 4 Jun 86

[Text] Moscow, June 4 (XINHUA) -- U.S. President Ronald Reagan's intention to cease complying with the Strategic Arms Limintation Treaty (SALT II) will upset the superpowers' military parity and is not conducive to a second U.S.-Soviet summit, the Soviet vice foreign minister said today. Vice Minister Aleksandr Bessmertnykh said at a press conference that the United States will not manage to achieve unilateral advantages and the Soviet Union would take necessary measures to prevent the military-strategic parity from being upset.

He said the Reagan's statement means the American leaders would unilaterally tear up an important document of international law (SALT II) that the Soviet Union and the United States have observed on the basis of reciprocity. The vice minister denounced the United States for not working toward new agreements but only undermining the existing ones.

Reagan said last week that the U.S. will exceed the SALT II limits on key weapons before the end of this year. In the first official reaction to Reagan's announcement, a Soviet Government statement issued last Saturday said that the Soviet Union was considering itself free from the treaty commitments.

The SALT II Treaty, agreed upon by the two countries in 1979, limits the number of missiles capable of carrying multiple warheads in each country's arsenal to 1,200, and sets a ceiling of 1,320 on the number of air-launched cruise missiles that each side may have.

Bessmertnykh said that Reagan's statement would have a negative influence on the Geneva disarmament talks between the two countries and could jeopardize the chances for a second U.S.-Soviet summit planned for the fall of this year.

Meanwhile, Sergey Akhromeyev, chief of staff of the Soviet Armed Forces and first deputy minister of defence, said at a news conference that if the United States exceeds the SALT-I and SALT-II limits, the limitations on strategic offensive armaments would become void and the Soviet Union would find a "sufficiently adequate response."

PRC SOCIAL SCIENCES DELEGATION ENDS USSR VISIT

OW042347 Beijing XINHUA Domestic Service in Chinese 0718 GMT 3 Jun 86

[Text] Moscow, 2 Jun (XINHUA) -- P.N. Fedoseyev, vice president of the Soviet Academy of Sciences, received a delegation from the Chinese Academy of Social Sciences, headed by Ding Weizhi, deputy secretary general of the Chinese Academy of Social Sciences here today. Both sides had friendly conversations, and expressed the wish that there would be more exchanges in the area of social sciences between the two countries.

After arriving here on 11 May, the Chinese delegation visited the Soviet Academy of Sciences' research organs in Moscow, Leningrad, Kiev, and Novosibirsk, and had discussions with the Soviet academy of academic exchange programs for the 1986-87 period. A summary of talks was also signed. The delegation left Moscow for home this evening.

SOVIET DOCTOR CITED ON CHERNOBYL AREA EVACUEES

OW050612 Beijing XINHUA in English 0543 GMT 5 June 86

[Text] Moscow, June 4 (XINHUA) -- A leading Soviet radiation hygiene specialist said none of the 100,000 evacuees from areas around the Chernobyl nuclear power station has developed symptoms of acute radiation disease and all of them are under medical observation. Leonid Ilyin, who has been to Chernobyl for three weeks since a nuclear accident took place on April 26, told the Moscow news weekly that experts are confident of bringing under control the situation arising from the disaster.

Experts determined that residents with 30 kilometers from the station should be evacuated when the accident became known, regardless of the radioactivity levels, Ilyin said. he said 230 medical teams have given repeated check-ups to all the evacuees and no case of severe radiation disease has been found. But the doctor said people who were close at the time to the crippled reactor and fighting the subsequent fire sustained heavy radiation and some of them failed to respond to any medical treatment. Reports said 25 of the about 300 peopole who were hospitalized died and 30 others were in serious condition.

"Radiation levels near the station have not been near dangerous to human health on any day after the accident," Ilyin was quoted as saying. Asked whether there were any radiation effects on thousands of decontamination personnel who were doing clean-up work around the station, the specialist said everybody on earth lives under circumstances of natural radiation, contacting radioactivity every day. Only when radiation exceds the level of 25 rontgens can it cause dangerous effects on people who work at the nuclear stations, Ilyin said, citing data from international experts. A dosage below the level is not harmful to human health, he added.

SOVIET MINISTERS REBUKED FOR POOR PRODUCTS

OW031530 Beijing XINHUA in English 1353 GMT 3 Jun 86

[Excerpts] Moscow, June 3 (XINHUA) -- Four Soviet ministers have been reprimanded for allowing the manufacture of poor quality T.V. sets, radios and tape recorders and a television factory manager has been fired for inferior poroducts. Official newspapers reported here today that the Soviet Communist Party's Central Committee had reprimanded the minister of the radio industry, Petr Pleshakov, and given lesser warnings to Erlen Pervyshin, minister of the communications equipment industry, Oleg Baklanov, minister of general machine building, and Electronics Minister Vladislav Kolesnikov.

The manager of the Kuybyshev production amalgamation "Ekran" (screen) C. Pilipec was dismissed from his post and its party committee's head V. Kuzhezov was criticized for "serious shortcomings in the work of the economic management and party committee."

Soviet leader Mikhail Gorbachev visited Kuybyshev on a tour of the Volga River area in March and criticized the factory by name for poor products.

Since the 27th party congress, held about three months ago, Gorbachev has repeatedly called for producing more better-quality consumer goods and described this as an important task for the country.

PRC, JAPAN SIGN 80.6 BILLION YEN LOAN AGREEMENT

OW042001 Beijing XINHUA in English 1523 GMT 4 Jun 86

[Text] Tokyo, May 4 (XINHUA) -- Japan will provide China with a loan of 80.6 billion yen (about 472 million U.S. dollars) this year under a loan agreement signed here today. The loan carries a 3.5 percent interest rate and a payment period of 30 years with a grace period of 10 years.

The loan will be used to help China build 7 key projects. The funds are part of an 845 million dollar aid package aid that Prime Minister Yasuhiro Nakasone promised during his visit to China in March 1984. So far Japan has provided about 3.09 billion dollars in total loans to China.

JAPANESE GRANT TO PROMOTE RESEARCH IN CHINA

OW031002 Beijing XINHUA in English 0651 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- The Japanese Government today granted 48 million Japanese yen to the Chinese Government for cooperative archaeological research in China. The grant will be used by the Chinese Academy of Social Sciences exclusively for the purchase of Japanese manufactured microscope and audio-visual equipment, according to the notes exchanged here this morning.

SPOKESMAN COMMENTS ON JAPANESE HISTORY TEXTBOOK

OW041048 Beijing XINHUA in English 1035 GMT 4 Jun 86

["China Criticizes Japanese History Textbook" -- XINHUA headline]

[Text] Beijing, June 4 (XINHUA) -- A Chinese Foreign Ministry spokesman said at a news conference here today that quite a number of expositions in the newly compiled Japanese textbook are "contrary to historical facts" and cause China's concern.

"We have taken note of the relevant reports in Japanese newspapers," the spokesman said in reply to a question that the higher middle school textbook of Japanese history recently adopted by the Japanese Ministry of Education has raised doubts about the Nanjing massacre and other incidents.

"With regard to the question of textbooks, the Chinese Government has solemnly stated its position on several occasions, and the Japanese Government has also promised to see to it that the errors in the textbooks be corrected," he said. "Regrettably," he said, "the Ministry of Education of Japan has once again done something that hurts the feelings of the Chinese people and the people of other Asian countries." He said, "How to look upon the facts about the war of aggression launched by the Japanese militarists in the past should be treated in a serious and cautious manner."

"Both in the past and at present, we have always been, and will continue to be in the future, opposed to any statements and actions that distort historical facts and prettify the war of aggression," he said.

DENG YINGCHAO MEETS FORMER JAPANESE AMBASSADOR

OW030938 Beijing XINHUA in English 0700 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- Deng Yingchao, chairman of the Chinese People's Political Consultative Conference National Committee, met here today Heishiro Ogawa, former Japanese ambassador to China and vice-chairman of the Japan-China Society, and Mrs. Ogawa. During the meeting, Ogawa, who has been engaged in China studies for years, told Deng that he is studying the late Chinese Premier Zhou Enlai's activities in his youth.

Deng, widow of the late Chinese premier, appreciated his work. There are now many biographies about Zhou and some of them are not so acurate, she said, hoping that there will be a book to record Zhou's life accurately.

SOUTH KOREAN PROFESSORS DEMAND NEW CONSTITUTION

OW031527 Beijing XINHUA in English 1425 GMT 3 Jun 86

[Text] Pyongyang, June 3 (XINHUA) -- More than 200 professors from 23 universities in South Korea have issued a statement demanding a new constitution that "really protects national interests," according to the KOREAN CENTRAL NEWS AGENCY today.

The agency, quoted the statement as saying the constitution should "recognize national direct electoral rights."

The strongly worded statement criticized the Seoul authorities' policies in foreign affairs, the economy and its handling of student protests. It warned that "the more political crackdown, the more violent students' protests will be."

Foreign news agencies described the statement as "a most bitter denunciation."

Prior to the statement's release, the first of its kind by university professors in South Korea, hundreds of professors had expressed their support for a signature campaign for constitutional revisions in South Korea sponsored by opposition parties.

Since the end of May, thousands of students in dozens of universities have been staging rallies and demonstrations demanding American withdrawal from South Korea and the resignation of the Chon Tu-hwan regime.

During recent anti-government demonstrations three students burned themselves to death in protest against South Korean "government" rule.

WANG ZHEN HEADS DELEGATION TO THAILAND

Meets Thai Prime Minister

OW041903 Beijing XINHUA in English 1342 GMT 4 Jun 86

[Text] Bangkok, June 4 (XINHUA) -- Thai Prime Minister Prem Tinsulanon said here today that China has contributed greatly to the safeguading of peace in Asia and the struggle of the Kampuchean resistance against the Vietnamese aggression.

He made these remarks while meeting Wang Zhen, head of the delegation of the China Association for the international Friendly Contact (CAIFC), and some members of the delegation at the Government House this afternoon. He expressed the hope that Thailand and China will continue their close cooperation so as to make further contribution to peace in this region. On the economic relationship between Thailand and China, Prem noted that the two-way trade volume has multiplied since the establishment of diplomatic relations 11 years ago. This friendly cooperation should be continued and developed, he stressed. The prime minister suggested that the two countries join hands in promoting exports of farm produce and in developing tourism.

Wang Zhen pointed out that the potential for the expansion of economic cooperation is great and the two countries should make more efforts in this respect. The Chinese guests arrived here on May 25 and are due to leave here tomorrow.

Hosts Return Banquet

OW042042 Beijing XINHUA in English 1929 GMT 4 Jun 86

[Text] Bangkok, June 4 (Xinhua) -- Economic cooperation, trade and technological exchange between Chinese and Thai private sectors should be promoted at the same time the governments strengthen economic and technological cooperation, Wang Zhen of China said tonight. Wang, head of China Association for International Friendly Contact delegation and honorary president of the group, spoke at a banquet at the Chinese Embassy here.

Wang said China's open-door policy has marked achievements. To open the door to the outside world is the state policy that China will persist in for a long time, he added. Wang said that his 12-day visit to Thailand has enhanced the mutual understanding and deepened the friendship and mutual trust between the Chinese and Thai people.

Sitthi Sawetsila, Thai foreign minister, and Chatchai Chunhawan, chairman of the Thai-Chinese Friendship Association, agred that the ties between Thailand and China have developed remarkably in the past decade. They said the Chinese delegation's visit to Thailand will help develop Sino-Thai relations. The Chinese delegation is scheduled to leave tomorrow.

AQUINO DISCUSSES ACHIEVEMENTS IN FIRST 100 DAYS

OW041855 Beijing XINHUA in English 1803 GMT 4 Jun 86

[Text] Manila, June 4 (XINHUA) -- Philippine President Corazon Aquino tonight urged the entire nation to bury their differences and commit to the common task of national economic recovery. Discussing her first 100 days in office, Aquino said in a television interview that the economy is now rebounding from the bankruptcy and profligacy of ousted President Ferdinand Marcos' government.

The nation's economic recovery has been shown by an increase in international reserves and dramatic declines in inflation and interest rates. Aquino said the reserves have risen by 85 percent since February to 1.7 billion U.S. dollars from 911 million U.S. dollars, and the peso continues to strengthen against major foreign currencies. The inflation rate dropped to a record low of 2.1 percent from 50 percent in 1984 and 23 percent in 1985. Interest rates have dipped from over 30 percent to 15 percent and treasury bill rates from 28 percent to 14 percent.

Aquino said there had been many expectations about the performance of her government for the first 100 days. But, "I never promised you snap solutions" to the problems which the deposed President Marcos left.

The takeover by the new government virtually stopped the "seemingly irreversible slide to disaster." The Filipinos must unite and work together to achieve political stability and economic recovery, she added. My presidency was an invitation to everybody to bury their differences and work together," Aquino emphasized.

RADIO BEIJING REPORTS AQUINO'S ADDRESS TO CON-COM

HK040607 Beijing International Service in Tagalog 1130 GMT 3 Jun 86

[Text] In Manila, President Corazon Aquino called on members of the Constitutional Commission [Con-Com] to eschew political activities while drafting a new constitution in the quickest possible time. President Aquino made the call in her keynote speech given at the Con-Com's opening session at the National Assembly building. Forth-eight of the 50 Con-Com members appointed by Mrs Aquino has week attended the session. Two of the appointees -- one from a prominent religious sect and the other from the opposition Partido Nacionalista ng Philipas [Philippine Nationalist Party] -- turned down their appointments. The Con-Com members is made up of individuals from the fields of politics, economics, religion, and workers and youth groups.

Mrs Aquino urged Con-Com members to work speedily saying the Filipino people are waiting for a new constitution and a plebiscite that will lead to a full-blown democratic republic in as quick a time as possible. She emphasized that the Con-Com's main duty is to write the constitution and not to indulge in political debates.

The Con-Com is expected to come up with a constitution in 3 months' time. The draft will then be submitted to the people in the plebiscite for ratification.

Vice President and Foreign Minister Salvador Laurel, who heads the commission, said he will not run for any position in the forthcoming national and local elections to be held in accordance with the terms of the new constitution.

PHILIPPINE VICE PRESIDENT LEAVES FOR JAPAN, PRC

OW031042 Beijing XINHUA in English 1006 GMT 3 Jun 86

[Text] Manila, June 3 (XINHUA) -- Philippine Vice President and Foreign Minister Salvador Laurel said today that he will seek economic aid from Japan during his visit to that country. He left here this afternoon for Tokyo for a three-day trip at the invitation of the Japanese Government.

In a departure statement at Manila International Airport, Laurel said the purpose of his visit is not only to cement strong and close relations with the Japanese people, but also to bring home as much assistance as possible. Last week, Tokyo committed to extend to Manila a concessionary loan of about 100 million U.S. dollars to finance seven projects in the Philippines, and also approved the rescheduling of 100 million U.S. dollars of debt with maturities falling due from January 1, 1985 to June 30, 1986. He said, "We'll try to get help from friendly nations."

The vice president announced that after his visit to Japan, he is going to visit China from June 15-18, and then he will visit Spain and Federal Germany in July. All of these visits are intended to "bring to the Philippines much-needed aid, as the Philippines now has a hard time to meet its budget deficits," he said,

PHILIPPINES' ENRILE ON U.S. MILITARY BASES

OW301331 Beijing XINHUA in English 1346 GMT 30 May 86

[Text] Manila, May 30 (XINHUA) -- Philippine Defense Minister Juan Ponce Enrile underlined today the importance of U.S. military facilities in the Philippines but meanwhile stressed the need for his country to be self-reliant in matters of national defense, according to the PHILIPPINE NEWS AGENCY.

"The continuous presence of U.S. military facilities in the Philippines is vital to maintain the balance of power in the Asia-Pacific region," he said in a speech before members of the diplomatic corps during a forum here.

The defense minister said the retention of the U.S. Clark Air Force and the Subic Naval Base "will not only ensure the stability in the region but also guarantee free access to the sailing of the Pacific and Indian oceans." The Clark Air Base in Pampanga is the home of the 13th U.S. Air Force while the Subic Naval Base in Zambales is the biggest U.S. facility outside the United States.

Enrile said the security arrangement between the Philippines and the United States does not threaten anyone, nor does it trespass upon the lawful interest of other nations or threaten the security of others. However, Enrile said that the Philippine Government "does not intend to live for ever under the security umbrella of the United States." He also pledged to seek an improvement in the country's self-reliance capability hand-in-hand with the strengthening of economy. He said the Philippines will explore its ties with other nations, especially in trade, commerce and technology exchanges to strengthen the collective security of the Southeast Asian nations.

RONG YIREN-LED DELEGATION CONTINUES EUROPEAN TRIP

Meets Danish Finance Experts

OW031840 Beijing XINHUA in English 1837 GMT 3 Jun 86

[Text] Copenhagen, June 3 (XINHUA) -- A Chinese parliamentary leader said today that China can repay the funds it borrows from foreign countries for its modernization program. Rong Yiren, vice chairman of the Chinese National People's Congress (NPC), made this remark in a meeting with Danish financial and economic experts. He said China first considers the economic results when using foreign investment because it knows it will have to repay the loans.

Rong, who ended a five-day visit to Denmark today, said China's current open door policy will remain unchanged. However, China will readjust its economy in the next few years to ensure still better development.

Danish Foreign Minister UFFE Ellemann-Jenson told Rong there is great potential in developing Danish relations with China, and he was satisfied by the recent cooperation between the two countries.

Tong left today for Norway, the next stop on his European tour. During his visit, Rong also met with Queen Magrethe, Prime Minister Poul Schluter and other Danish leaders.

Arrives in Norway

OW041449 Beijing XINHUA in English 1335 GMT 4 Jun 86

[Text] Oslo, June 4 (XINHUA) -- A delegation of the Chinese National People's Congress (NPC) led by NPC Standing Committee Vice Chairman Rong Yiren arrived this morning for a three-day visit to Norway. The delegation was greeted at the airport by Jo Benkow, president of the Norweigian Parliament.

In a written statement, Rong said satisfactory achievements has been made in cooperations beteen China and Norway and he will exchange views with leaders of both the Norwegian Government and the opposition during his visit.

The delegation is also expected to meet with financial and business leaders in the country. Rong and his delegation left Denmark yesterday after a five-day visit.

LI PENG ATTENDS ITALIAN AMBASSADOR'S RECEPTION

OW021604 Beijing XINHUA in Engish 1409 GMT 2 Jun 86

[Text] Beijing, June 2 (XINHUA) -- Italian Ambassador to China Raffaele Marras and Mrs. Marras gave a reception to celebrate the 40th anniversary of the founding of the Republic of Italy at the embassy here this afternoon. Among those present were Chinese Vice-Premier Li Peng, Minister of Water Resources and Electric Power Qian Zhengying and leading members of other departments as well as diplomatic envoys of various countries here. An acrobatic show was given by the Chinese acrobatic troupe at the reception.

WU XUEQIAN MEETS HUNGARY'S KADAR, LAZAR

OW041741 Beijing XINHUA in English 1733 GMT 4 Jun 86

[Text] Budapest, June 4 (XINHUA) -- Hungary's top leaders, Janos Kadar and Gyorgy Lazar, met with the visiting Chinese Foreign Minister Wu Xueqian here today.

Kadar, general secretary of the Socialist Workers' Party, told Wu he is satisfied with recent developments in bilateral relations and said Hungary is willing to further its ties with China. Kadar and Wu discussed socialist construction and the economic reforms both countries are undertaking.

Later, Lazar, Hungary's premier, met with Wu. The Chinese foreign minister arrived here for an official visit on Monday and is expected to leave on Thursday.

POLISH PARLIAMENTARIANS LEAVE FOR PRC VISIT

OW040316 Beijing XINHUA in English 0153 GMT 4 Jun 86

[Text] Warsaw, June 3 (XINHUA) -- Poland and China have much to share in economic experiences for their socialist construction, a Polish parliamentarian says.

Roman Malinowski, marshal of the Polish parliament and head of a parliamentary delegation that left for China today, told XINHUA before his trip that China, like Poland, is carrying out economic reforms to improve its economic management system and to modernize its national economy. "Our two socialist countries can exchange experiences in this asepct," he said.

He said, "Contacts between the parliaments of Poland and China will be conducive to developing bilateral cooperation not only in parliamentary affairs but also in other fields."

Malinowski said the Polish-Chinese relations which developed rapidly in recent years have even brighter prospects especially in industrial cooperation. "Our cooperation in science and technology is getting closer by joint research in many projects and our cultural exchanges are also increasing," Malinowski said.

Malinowski said he is convinced that his visit to Beijing, the first by a Polish parliamentary delegation to China since the two countries established diplomatic relations in October 1949, would help strengthen bilateral friendship and cooperation.

POLAND, GDR SIGN TECHNICAL COOPERATION AGREEMENT

OW050110 Beijing XINHUA in English 0101 GMT 5 Jun 86

[Text] Warsaw, June 4 (XINHUA) -- Poland and Democratic Germany today signed an agreement on long-term cooperation in science and technology. The agreement calls for joint research and production in engineering industry, chemistry, light industry, agriculture, metallurgy and other fields. The agreement covering 210 research and production projects is designed to implement a long-term cooperation program to the year 2000. Under the program which was signed by leaders of the two countries half a year ago, machinery and equipment will be the most important areas for such bilateral cooperation.

STATE LEADERS ATTEND MILITARY COLLEGE ANNIVERSARY

OW010444 Beijing XINHUA Domestic Service in Chinese 1055 GMT 31 May 86

[Excerpts] Beijing, 31 May (XINHUA) -- Today, half a century after the founding of the Chinese People's Anti-Japanese Military and Political College, more than 5,000 of its alumni in Beijing and over 1,000 teachers and students on the capital's educational front gathered at the Great Hall of the People to solemnly mark its founding anniversary. Attending the meeting were party and state leaders including Hu Qili, Fang Yi, Li Peng, Yang Dezhi, Chen Muhua, Deng Liqun, Hao Jiankiu, Wang Ping, Li Desheng, Xiao Ke, Song Shilun, Chen Xilian Geng Biao, Huang Zhen, Huang Huoqing, Cheng Zihua, Wang Heshou, Guang, Hong Xuezhi, Li Zhimin, and He Changgong, as well as veteran leaders and alumni of the military college.

On behalf of the CPC Central Committee and the State Council, Li Peng warmly congratulated the participants and paid high tribute to the veteran revolutionary comrades who once studied and worked at the college. In his speech Li Peng summarized the historical merits of the military college as the following: 1) In nearly 10 years the college trained more than 100,000 cadres. Spread throughout the country, these "seeds of revolution" made historic contributions to the growth of our party and Army and to the great victories in the anti- Japanese and national liberation wars: 2) the college's renovated educational guidelines and exploration of new educational methods created valuable experience for the theoretical education of our party and Army cadres as well as for the development of education of the proletariat as a whole; 3) the military college's work style -- firm and correct political orientation, hard-working and plain-loving style, flexible strategy and tactics -- promoted the building of a spiritual civilization in Yanan and in other revolutionary bases.

Li Peng pointed out: Today, the purpose of commemorating the founding anniversary of the college is to carry forward its traditions and promote the building of a socialist spiritual and a material civilization in light of the new historical conditions. Particular, we should correctly learn from the college's basic experience in the light of the present educational situation in China in order to promote educational reform and to train more qualified personnel for socialist modernization. He called for attending to four emphases in learning from and carrying forward the college's traditions: First, we must emulate the old spirit of running the Chinese people's Anti-Japanese Military and Political College [Kang Day], attach importance to the training of qualified personnel, and do our educational work well. Second, we should carry forward the Kang Da's good style of integrating theory with practice, and boldly explore solutions to new problems in socialist modernization. Third, we should inherit and carry forward the Kang Da's wowk style, enhance our national vigor, and promote the building of spiritual and material civilizations. Fourth, the masses of intellectuals should emulate the spirit of the teachers and students of the Kang Ka in the old days, forge ties with workers and peasants, and use their wisdom and talent to invigorate the Chinese nation by accelerating the realization of socialist modernization.

With revolutionary enthusiasm, Sun Yi, 83-year-old alumnus of Kang Da, vividly recalled Kang Da in the thick of struggle in the old days. He noted that veteran fighters who were trained by Kang Da will continue to contribute to the country as long as they live. His speech won enthusiastic applause at the meeting. Addressing the meeting, Zhang Jianming, student representative of the Chinese People's University; and Yu Haitao,, teacher at the Chinese People's Liberation Army National Defense University, pledged to carry forward the Kang Da spirit in the new historical conditions. The commemoration meeting was presided over by Zhang Zhen, president of the National Defense University. Literary and art programs reflecting former life at Kang Da were staged after the meeting.

Yang Dezhi Speech

HK050255 Beijing RENMIN RIBAO in Chinese 1 Jun 86 p 4

[Speech by Yang Dezhi: "Inherit and Carry Forward the Fine Traditions of the Chinese People's Anti-Japanese Military and Political College, Bring Up a Large Number of Outstanding Qualified People for Building a Modern, Regular Revolutionary Army" -- delivered at the meeting commemorating the 50th anniversary of the founding of the Chinese People's Anti-Japanese Military and Political College]

[Text] Comrades: Today, old alumni of the Chinese People's Anti-Japanese Military and Political College [Kang Da] and comrades from the educational front happily gather under the same roof to solemnly commemorate the 50th anniversary of the founding of the college. This has great significance in inheriting and carrying forward its fine traditions, in strengthening national defense, and in boosting socialist modernization in China. On behalf of the Central Military Commission, I extend warm greetings to the meeting and cordial regards and respects to the old alumni of Kang Da and the comrades engaged in educational work! Comrade Li Peng has just delivered an important speech on behalf of the CPC Central Committee and the State Council. I fully agree with it.

Half a century ago, the Chinese nation faced a critical moment of life or death. To win over millions upon millions of people to the anti-Japanese national united front and to realize the political idea of our party, training cadres became a principal link. In light of the changing political situation at home and abroad, the CPC Central Committee made the important policy decision of setting up Kang Da in order to meet the needs of the anti-Japanese war, to train a large number of cadres, and to win victories in the national revolutionary war. History proved the correctness of this policy long ago. With its meritorious deeds never to be obliterated, Kang Da has added a glorious page to the history of the Chinese revolution and Army building.

Under the guidance of Marxism-Leninism-Mao Zedong Thought, Kang Da trained and brought up people of a new generation with its new educational system, principles, and content, its powerful ideological and political work, and its fine work style. By training over 100,000 military and political cadres for our party and our Army, Kang Da and its branch schools have made a great contribution not only to the victory of the anti-Japanese war but also to the victory of the new democratic revolution and to the founding and building of new China. Many Kang Da veterans are still key leaders of the party, government, and Army. Today, the style of Kang Da still serves as a source of spiritual power encouraging people on all fronts to work hard in unity, to promote good social conduct, and to resist unhealthy tendencies. Under the guidance of the party's correct line, Kang Da continued to carry forward the fine traditions of the party in a protracted, arduous war environment. Politically, Kang Da teachers and students held high the banner of revolution and patriotism, stood in the forefront of the times, regarded the fulfillment of the party's general task and the realization of the lofty ideal of communism as their duty, and always upheld a firm and correct political orientation; ideologically, they upheld the principle of integrating theory with practice, strove to apply the universal truth of Marxism-Leninism in the concrete practice of the Chinese revolution and revolutionary wars, regardless of difficulties, hardships, and personal safety, and were bold in giving their lives for the truth, the people, and the cause of revolution; and in work style, they were united, alert, earnest, and lively, carried out arduous struggle, persisted in combining education with productive labor, and were renowned at home and abroad for the characteristic style of their "cave college."

Kang Da's fine traditions and revolutionary spirit can enhance people's morale and resist corrosion. In the past, they have played a tremendous role in stimulating China's revolution and construction; in the new period of building socialist civilization with both a high material level and a high cultural and ideological level, they are still our most invaluable spiritual treasure. The spirit of Kung Da will forever retain its youth and will never die.

Comrades: Kang Da has provided us with very rich experiences and, in training cadres and bringing up qualified personnel, it has even more we can make use of and carry forward.

Training qualified personnel is of extremely important significance, whether in revolutionary war years or in the period of socialist construction. In those years, in order to usher in an upsurge in the anti-Japanese national liberation war and to meet the needs of the expanding revolutionary cause, the CPC Central Committee and Comrade Mao Zedong were very much concerned about the founding and development of Kang Da and the training of qualified personnel and cadres, and made the greatest efforts in every way. Comrade Mao Zedong personally served as chairman of the Kang Da education commission. He paid close attention to various matters, such as working out educational principles, examining and approving educational plans, determining the leading body, attending Kang Da gatherings, giving lessons to teachers and other staff members, engaging in private talks, publishing school periodicals, and showing solicitude for some practical problems in daily life. Zhou Enlai, Liu Shaoqi, Zhu De, and other central leading comrades also served as teachers on a part-time basis. Many writings of Comrade Mao Zedong and others were previously lecture notes or teaching materials in Kang Da. Leading comrades of the central bureaus or the branches of the Military Commission in various anti-Japanese base areas also regarded the work of running well Kang Da branch schools as a strategic task. They often went to the branch schools to make reports and to give guidance. It was precisely because the CPC Central Committee, the central leading comrades, and leading organs at all levels attached great importance to Kang Da that it could survive under very difficult conditions, blossom everywhere, and train so many qualified personnel who had a firm stand and were good at administering the party and the army and directing military operations. In the new historical period, in order to build a modern, powerful socialist country and a modern, regular revolutionary army, we need a contingent of cadres with both political integrity and ability and a mightly contingent of scientists and technicians. As far as Army building is concerned, with the development of science and technology and the constant improvement of weaponry, military thinking, strategy, and tactics, as well as methods of operations, are also constantly developing and changing. As factors of combat effectiveness, knowledge and qualified personnel have become more important. Training a large number of outstanding personnel is an especially important task following a strategic shift in the guiding idea on building the Army. Leading comrades at all levels, especially leading organs at higher levels, must have ample understanding concerning this and take effective measures to care for, and attach importance to, the work of training qualified personnel.

In training qualified personnel, we should establish clear-cut and strict criteria. Comrade Mao Zedong said: "A firm and correct political orientation, a hard-working and plain-living style, and flexible strategy and tactics." This remark served both as an educational principle and as a definite objective for Kang Da in training qualified personnel. In line with this educational principle and training objective, Kang Da brought up a large number of outstanding cadres with both political integrity and ability. To put the party line into effect and to work for the cause of national liberation and the people's revolution, they used Marxism-Leninism as a guide to action and as a telescope in observing problems.

Carrying forward the revolutionary, death-defying, and selfless spirit and the spirit of strictly observing discipline and of self-sacrifices, of first thinking of others and then of oneself, of vanquishing all enemies and difficulties, of upholding revolutionary optimism and surmounting every difficulty to win victory, and of constantly improving one's skills and professional competence, they carried out heroic struggle and advanced bravely. What are our criteria in training qualified personnel in the new historical period? The general criterion is what Comrade Deng Xiaoping has said: To become people with lofty ideals, moral integrity, education, and a sense of discipline. This is an interrelated organic whole in which nothing is dispensable. As far as the Army is concerned, our officers and men should be loyal to the socialist motherland and the socialist cause, love the people, and have the aspiration to perform meritorious deeds for national defense, the spirit of dedication, sound military quality, necessary professional standards, practical work capability, a strong sense of discipline, and a strong physique. In order to achieve socialist modernization, we naturally call on our cadres to uphold the four basic principles, to understand basic Marxist-Leninist viewpoints and methods, and to acquire professional knowledge and skills. Without modern military scientific knowledge, it will be difficult to win victories in modern warfare. Modern warfare has also set higher and stricter demands on people's sense of political responsibility, courage, discipline, tenacity, and coordination. We must exert great efforts to train a large number of new-type qualified people of all-round development who can suit the needs of modern warfare.

In order to train high-quality personnel, it is necessary to reform education and training. The reason for Kang Da's success in training qualified people was that it changed the outdated educational system and curriculum and practiced the new system and curriculum, with resisting Japan to save the country as an objective; that it discarded the outdated educational principle which was divorced from reality and which separated study from application and carried out the educational principle of integrating theory with practice, education with productive labor, and study with application; that it changed the outdated, unequal relationship between teachers and students and established a new relationship characterized by respect for teachers and care for students; and that it discarded the spoon-feeding method of teaching and applied flexible and varied teaching methods characterized by the practice of proceeding from reality and encouraging people to think independently. These reforms played a tremendous role in training people who resisted Japan to save the country. In the new historical period, we should earnestly learn from Kang Da's successful experience and add new content to it in light of new situations and new characteristics. The CPC Central Committee attaches great importance to educational reform and has made a special decision in this regard. The Army's education and training must adapt to the new situation, and reforms should be oriented to the needs of modernization, the world, and the future. We should base our work on reality and have our eyes on the future.

In addition to training qualified personnel for Army building today, we should also train such personnel for the building of our Army at the end of this century and the beginning of the next century. We should proceed from the actual conditions in our Army, absorb the most advanced achievements in military science, science, and technology in the world, and concentrate on studying and solving new conditions and problems in Army building today. It is necessary to calculate possible major changes in the world 1 or 2 decades from now, to grasp major trends in military development, and to explore the strategy and tactics for future war. It is also necessary to step up and improve education in Marxist theory. So long as we adhere to the correct orientation in reform and earnestly solve the problems that crop up, we will certainly be able to bring about a new outlook in our Army's education and training and train large numbers of fully-qualified personnel with excellent military and political quality.

Comrades: Under the leadership of the CPC Central Committee, Kang Da has left valuable assets for our party, Army, and people. Veteran comrades who once studied and worked in Kang Da should bear in mind its fine traditions and work style. In addition, they should, through propaganda and exemplary deeds, carry forward Kang Da's good ideology, traditions, and work style so that these will be fused with a socialist spiritual civilization centered on the communist ideology, give out resplendent glory in the new socialist period, and play a new encouraging role in stimulating the realization of the general task and general task and general objective of the party.

COMMENTARY URGES NEW CADRES TO WORK CREATIVELY

HK040745 Beijing RENMIN RIBAO in Chinese 3 Jun 86 p 1

[Commentator's article: "Work Creatively"]

[Text] The answer to the question as to what are the qualities required of a leading cadre in the new historical period has several aspects but an indispensable one is: To work creatively. This aspect is particularly important for young and middle-aged cadres who have taken up leading posts in the past few years. After a new leading body is set up, and a number of young and middle-aged cadres have assumed office, the masses often place high hopes on these cadres that they will accomplish much and will be able to open up new situations. This requires that the new leading body work creatively.

In order to work creatively, it is necessary to creatively implement policies and principles formulated by central authorities. Some comrades believe that since the 3d Plenary Session of the 11th CPC Central Committee, the series of policies and principles formulated by the party Central Committee have all been tested in practice and what is needed is only to act according to them. This view is not correct. Central authorities proceed from the situation of the whole country in formulating various policies and principles. However, our country is so big that circumstances vary from place to place. Central authorities cannot make everything so detailed or specific. There was a time in the past when everything was rigidly stipulated, and there was no flexibility. This had many disadvantages and we cannot repeat such practice today. The central authorities have time and again stressed that various localities and departments should give scope to their energy and initiative and handle affairs according to their respective situations. If they simply implement central policies and principles mechanically, and do not say or do anything not mentioned in documents or by leaders, they cannot do their work well. Comrade Mao Zedong once said: "Blindly and superficially implementing instructions given at a higher level, without putting forward any different view, is not really implementing the instruction given at a higher level. This is the best way to oppose instructions given at a higher level or to slow down the implementation of such instructions." He said this in the 1930's but what he said remains very enlightening.

It is not easy to handle affairs according to reality. It is much more inconvenient than to mechanically transmit or implement documents issued by the central authorities. Much hard work is needed to carry out investigations and studies. The policy of making the people rich is a basic policy formulated by the central authorities. How should you make the mountain areas rich? How should you make the plains rich? How should you make coastal areas rich...? Only by going deep down to the grass roots can you thoroughly and correctly understand such questions as: Which road to prosperity your locality should take; what favorable conditions you should make good use of and what weak points you should overcome; and how you should make some of the people become rich before others so that they can in turn help more people become rich.

Only by so doing can you make policy decisions in conformity with the situation of the province, the city, the country, or the township and put forward practical measures. To act in this way is to work creatively. To act like "the eight immortals crossing the sea, each one showing his or her special prowess" does not go against the policies of the central authorities but enriches them. While inspecting the Taihang mountain areas recently, Comrade Hu Yaobang told the leading cadres of a county that comrades of the county CPC committee should visit all villages and go deep down to every corner, community, and stratum in order to do creative work. Inferences about other cases can be drawn from one instance. It is quite evident that not only members of county CPC committees should act in this way.

In order to work creatively, comrades who have undertaken leadership need support from various quarters, including the support of old comrades. "An old horse knows the way." The rich experience of old comrades is something which new cadres should seriously absorb and use for refernce. However, old comrades should not ask new cadres simply to follow established rules and should not think that the new cadres are "negating the past" if they do not follow such rules. It is not good to say rashly that new cadres are negating the past, because this will prevent the new cadres from giving scope to their initiative and creativeness. It is important to know one's own limitations. It goes without saying that not all decisions made by old comrades in the past are completely correct. Even if these decisions were completely correct in the past, it is entirely necessary for others to make new decisions according to the new situation, because situations are changing. If they stick to conventions and are bound hand and foot by them, no progress can be made in our cause. This is something which old comrades who are loyal to the party and the people are not willing to see.

The creative spirit of Marxism is linked with the realistic spirit. To work creatively cannot be separated from seeking truth from facts. "Creation" which is not linked with seeking truth from facts is merely subjective conjecture which only makes things worse. He who really wishes to create, invent, or make progress must keep firmly in mind the Marxist basic principle of proceeding from reality!

PERVASIVE 'DECOMPOSITION' SEEN IN VEGETABLE AFFAIR

HK040521 Beijing RENMIN RIBAO in Chinese 31 May 86 p 1

[Commentator's article: "The Break Out of 'Decomposition Complication'"]

[Text] The large amounts of green garlic plants and Chinese cabbage that rotted at the Nanyuan vegetable cold storage plant shocked Beijing residents who suffered considerably from a scanty supply of high-priced vegetables. What is more shocking is that how apathetic, decrepit, and muddleheaded the unit involved in the case involving vegetables was in handling the ruined vegetables. As a process of material change, the decomposition of vegetables is not so simple as we think at first glance. It is caused by a series of conditions. Particularly with such modern cold storage facilities, how can we explain the rotting of large quantities of vegetables? Many things behind the case, which has attracted people's attention, merit investigation and exploration. As reported in the newspapers, factors such as unsound business attitudes, serious bureaucraticism, acting rashly through ignorance, contempt for the masses and science, mismangement, laxity in discipline, weak ideological and political work, and the rampant spread of unhealthy trends and evil practices, manifest in various components of the vegetable business, such as the purchasing volume, storage, temperature control, and marketing, constitute the complicated background of the case.

This is a kind of "decomposition complication" as one may well say. The "decomposition" means a decomposition of the party spirit and sense of responsibility to the masses and in the work of those accountable for the case. The rotting of vegetables is just an outward expression of the "decomposition complication" and its rampant outbreak.

It is very obvious that the case of ruining vegetables by the Nanyuan vegetable cold storage plant resulted from a neglect of duty, a case which has caused grave losses to the state's property. Those directly responsible should be punished according to the law. For a long time, many government functionaries have thought that only corruption and embezzlement are crimes and that causing major losses, both economic and political, to the stage due to the neglect of duty cannot be considered a crime, and that it is quite enough to accuse the persons responsible for losses in a bureacratic way and ask them to make self-criticism, along with some party and administrative disciplinary sanctions. This view is utterly wrong. In fact, losses to the state caused by the Nanyuan plant in ruining vegetables are much more serious than ordinary acts of corruption and embezzlement. On no account must we leniently treat and intercede for the persons involved in the case just because they themselves did not benefit from the incident. This "sense of pity" will mean encouraging criminals and encouraging negligence of state property and the people's interests. This is not right. Some people may say: Are greens and radishes not perishable? Generally speaking, in the vegetable business, normal wastage or spillage is allowed. Handicapped by objective conditions, it is unavoidable to prevent all vegetables from perishing. However, the weste of large quantities of vegetables at the Nanyuan plant is another thing. The rotting of the vegetables is entirely due to the outcome of the "decomposition" of the leading cadres' style of thought. How can we justify ourselves if we do not punish those directly responsible for the case according to the law and not mete out party and administrative disciplinary sanctions against leaders at higher levels who have been seriously negligent?

Factors causing cases similar to the "decomposition complication" as shown by the Nanyuan plant are not rare in many units. The problem is that they have not yet reached the point of serious difficulties. The case of the Nanyuan plant serves as a warning for us. It is essential not only for people in vegetable industry but also for thse engaged in other trades and professions to reflect on and examine their work and thinking by comparing lessons drawn from the case, promptly eliminating harmful "decomposition"-causing elements.

JINGJI RIBAO URGES PUNISHING ERRANT BUREAUCRATS

OW041103 Beijing XINHUA in English 1026 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- Bureaucrats who make decisions that result in heavy economic losses should be punished by the law, said the commentator's article in today's "ECONOMIC DAILY". Those who ignore the interests of the state and the people and who neglect their duties should be punished as an example to other officials to improve their work style, it added. The article noted that some officials would not conduct any investigation or research before they make decisions, which often result in economic losses up to over a million yuan. Bureaucracy is not only the "umbrella" for some serious economic crimes but also the direct or indirect "chief culprit" of serious economic losses, it pointed out. It is no less harmful than other economic crimes like bribery, graft and embezzlement to the country's economic reform and construction. Punishments should be especially inflicted on those who do nothing to retrieve losses but try every possible means to cover up their wrong decisions and acts of neglecting their duties, it said.

SERVICE COOPERATIVE ORGANIZATIONS HIGHLIGHTED

HK040857 Beijing RENMIN RIBAO in Chinese 31 May 86 p 2

[Report by Dai Gao and Zhu Yong: "Nanyang Township Develops Service Cooperative Organizations"]

[Excerpts] Nanyang township in Dafeng County in Jiangsu Province has developed service cooperative organizations which transcend the boundaries of regions, trade, and ownership systems. Diversified rural service systems have thus been formed by the state, collectives, and individuals. This has promoted the development of rural commodity production. The development of service cooperative organizations has promoted the growth of the rural economy. Many peasants have said that such cooperation can help them become affluent. Two years ago, there were 80 specialized households engaged in the marketing and transportation of agricultural products in the entire township. Each went its own way. Last year, the number increased to 451, and most of them were based on joint operations. This helped peasants promote the sale of their agricultural and sidelined products valued at more than 15 million yuan, and import a total of over 4 million yuan capital from other localities plus 21 technical items. The total industrial and agricultural output value of the entire township reached 24.96 million yuan, an increase of 200 percent over 1980.

Commentator's Article

HK040859 Beijing RENMIN RIBAO in Chinese 31 May 86 p 2

[Commentator's article: "Rural Service Systems Should Have a Great Variety"]

[Text] We need concerted efforts by the state, collectives, and individuals in developing rural service systems. Many comrades know this. However, with regard to "concerted efforts made by three parties" about which we often talk, we discovered that each party went its own way and sought its own ends. Nanyang township in Defeng County let the three parties cooperate freely. Some service cooperative organizations are run jointly by peasant households. Some go beyond the limits of ownership. Some are organized within the scope of the township. Some others are run on the basis of the expansion of lateral economic links, and go beyond administrative demarcation line. Such a flexible understanding of "concerted efforts made by three parties," and actions taken in this regard demonstrate creativity in the township. We find everything fresh and new in it.

Rural service systems are closely connected with the development of rural commodity production. On one hand, greater development of commodity production will set a higher demand on service systems. On the other hand, service systems will play the role of promoting the development of commodity production. If more forceful services are provided before, during, and after production, we will have quicker circulation of agricultural and sideline products and greater development of commodity production. Nanyang township has increased the variety of its service systems. This has satisfied precisely the demands of large-scale commodity production.

The economy of Nanyang township in Dafeng County belongs in the middle level in the whole country. In areas where commodity production is more developed, peasants make heavier demands on a greater variety of service systems. They need satisfactory and effective services in production links, including the supply of improved varieties of crops, scientific management, preservation of fresh food, and processing.

Such services are also needed in the circulation field, including the supply of information, purchasing and marketing. To satisfy peasants demands, we should coordinate various positive factors and increase the variety of service systems. In economically backward areas, people have begun to express their need for various kinds of services. In many places it is precisely because of the insufficient, ineffective and monotonous service systems that peasants still have their hands tied; they can only remain at the level of natural economy. They stop at the old stage of "planting crops only according to their own capability."

Generally speaking, the level of commodity production in our country's rural areas is still comparatively low. To change this situation, we should rely to a great extent on a breakthrough in the development of rural service systems. This is a strategic view which comrades engaged in rural work and agricultural production must have. Developing various kinds of service systems and improving them is an important link in the commercialization, specialization, and socialization of rural production. We must make great efforts to grasp the work well.

COMMENTATORS' USE OF 'I,' 'WE' CONSIDERED

HK040813 Beijing RENMIN RIBAO in Chinese 12 May 86 p 5

[Article by Xiao Qian: "'I' and 'We'"]

[Text] After reading the speech made by Zhu Houze, head of the Propaganda Department of the CPC Central Committee on the question of carrying out academic contention in the theoretical field even-temperedly on the basis of seeking truth from facts, I quite agree with him. Although it is not the first time that we have heard such remarks, each time these remarks are repeated, it is just like giving the academic and ideological circles a vitamin injection. So, such remarks have a lot of advantages.

As an ordinary reader who does not know much about theories, I would like to make a humble suggestion which can be easily realized. I also believe that my suggestion will be conducive to creating a democratic atmosphere. I hope that the comrades who write theoretic articles (or commentaries) will stop frequently using "we" when presenting their own opinions which are not the opinions of their organizations. Instead, they should only use "I."

Perhaps, I am an overly sensitive person. Whenever I see one side in a debate using "we," I feel that he has a large number of supporters behind him. So, I will certainly feel that he is domineering. If he used "we Marxists," I will feel that he is reading a verdict on behalf of the "court." I will think that he is not discussing questions on an equal footing. When he used "we," he has actually occupied a high and commanding position. At this time, the one who uses "I" will look unarmed and weak.

In order to reason things out, convince people by reasoning and jointly seek truth, I suggest that theoreticians and commentators only use the plural pronoun "we" when speaking on behalf of their organizations and collectives. If all people use "I," which sounds amiable and easy to approach, it will be conducive to the academic contention and unity.

Debate Rages On

HK040815 Beijing RENMIN RIBAO in Chinese 2 Jun 86 p 5

[Article by Xie Yun: "'We,' So What?!"]

[Text] I quite appreciate Comrade Xiao Qian's article "'I' and 'We.'" Some of my friends also appreciate it very much. Although the article is less than 500 words long, its impact far surpasses that of those articles which are full of hackneyed and stereotyped expressions. This once again proves that it does not matter whether articles are long or short. What matters is whether articles are correct or not, speak in a rational and convincing way, and aim at eliminating contemporary maladies.

Xiao Qian's article has spoken very bluntly and honestly, but it seems to me that it is still not fully outspoken, perhaps because the author has purposely left some margin. Here, I venture to say something, which can probably be viewed as a supplement to Xiao Qian's article! Compared with the singular pronoun "I," the plural pronoun "we" really means a lot of people and makes one terrified by the sight of it. However, this is not always the case. Emperors and dukes all called themselves I, and never used "we." So "I" was more powerful than thousands of "we" in terms of force and functions. Emperor Qin's book burnings and burial of scholars, and Emperor Hanwu's banning all schools of thought except Confucianism, were all carried out in the name of "I," weren't they? This is because "I" is closely linked with power. All these things happened a long time ago. Now, taking Jiang Qing as a recent example, during the 10-year internal disorder, although she often used "we" to boost her courage, she also frequently tried to push "I" forward, and sometimes, she even called herself "old mom." There was actually a famous saying during that period: Letting a hundred schools of thought contend but only one school have the final say, and it was Jiang Qing who made the final decision. When she used "I," no matter how many people "we" represented, "we" was still nothing because Jiang Qing had the power in her hand. From this, we can see that the question does not lie in whether you use "I" or "we," but lies in whether "I" or "we" has the power or not, and whether "I" or "we" uses the power to influence and interfere with academic discussions and contention.

"We Marxists" is naturally grander than the simple "we." However, if "we Marxists" is not backed by power, "we Marxists" which Comrade Xiao Qian described in his article as like reading a verdict on behalf of the "court," is still a mere scrap of paper because "we Marxists" can neither have the force to implement its verdict nor prevent those who receive the verdict from paying it back in its own coin by also using "we Marxists" to read a verdict on it in the name of the "court." So, although "we Marxists" looks very powerful and strong, it is actually a kind of posture, and does not mean that it has "occupied the high land."

Of course, I agree with Comrade Xiao Qian. In articles regarding academic discussions and contention, if the opinions belong to only one person, then "I" should be used instead of "we" because only by writing "I" can the name match the reality. People need not often call themselves "Marxists" because whether you are Marxist or not depends on the fact and not on what you think you are. When some Frenchmen called themselves "Marxists," Marx himself once humorously though angrily said: "I only know that I am not a Marxist!" It is quite easy for people to only use "I" and not frequently use "we." And it is true that this is conducive to improving our style of study.

However, in order to truly implement the "double hundred" policy and create an atmosphere for free discussion and debate, it is imperative for us to eliminate the interference of power, and thoroughly realize the principle of everyone being equal before truth, which has been put forward in recent years. However, history and reality tell us that this is not so easy. On one hand, the power brokers need to maintain great consciousness, aim high, and have great determination. On the other hand, those who have no power need to have courage and willpower and the newspaper editorial departments also need to have a lot of courage and much vision.

As in sports competitions, what is decisive in the academic arena is strength, not the number of supporters and grand banners. Although power can play a part, and even a big part, in the academic arena, its effectiveness and life-force are limited because in this field, the most authoritative judgment is given by the supreme court of practice. Power and the highest prestige will eventually become significant before this court. There are numerous such precedents in both contemporary foreign and Chinese histories. And we have also had such painful experiences ourselves.

SUPPORT FOR PEASANT ENTREPRENEURS ENCOURAGED

HK050300 Beijing RENMIN RIBAO in Chinese 2 Jun 86 p 1

[Commentator's article: "Make Great Efforts To Protect and Support Peasant Entrepreneurs"]

[Text] After several years of reform, great changes have taken place in our rural areas. A change of far-reaching significance is that a number of aggressive and enterprising peasant entrepreneurs and "dab hands" for different trades have emerged in the course of developing the rural economy. The emergence of the new batch of gifted people is a lively expression of our party's correct policies and a major indication of social progress in the countryside. However, we should now stress that we should adequately protect and support their legitimate business and continue to give play to their role of spurring the development of the rural commodity economy.

Ours was formerly an agricultural country with a strong tradition of small-scale peasant economy. The lack of peasant entrepreneurs is the result of the backward rural economy and is also one of the evident reasons why our countryside has not been able to make rapid progress over a long period of time. Since the founding of the People's Republic, we have made painful efforts to promote prosperity and progress in the rural areas, but so far the enormous agricultural population still have to work with a backward mode of production on limited arable land and live in a state of self-supporting or semi self-supporting economy. This remains the actual situation in our countryside. Therefore, the prime task of rural work should be focussed on protecting and developing productive forces over time and on developing the commodity economy. The viewpoint that "the peasants have become very rich" is not in keeping with the facts, and the idea that "it is necessary to control the development of upstarts in the rural areas" is not correct and is harmful.

By and large there are two methods to change the present face of our countryside: one is that the state invests a large amount of money in construction so as to draw the great agricultural population to the industrial front; the other is that we create a favorable development environment and fully encourage hundreds and millions of peasants to exploit rural areas. The limited financial capacity of the state can only satisfy the needs of building key construction projects. To change the face of the vast countryside, we should mainly adopt the second method.

Since the early 1980's, a number of collective enterprises contracted to entrepreneurs and dab hands or jointly managed by them have emerged from among the peasants and private enterprises run by individual peasants have vigorously sprung up. All this is eloquent proof that the second method is applicable.

We must depend on the creative power of peasants to spur progress in rural areas. To this end, we must relinquish methods to which we accustomed, such as imposing a certain pattern designed by the leadership and resorting to administrative measures executed at higher levels. We must support peasant enterpreneurs to stand on the forefront of reform and encourage them to make experiments and blaze new trails. At present, they are small in number, but it is hard to estimate their experiences and creative power and their exemplary role to ordinary peasants. We must highly treasure and value them in our work.

Like all newborn things, peasant entrepreneurs also have their weakpoints and shortcomings. Some people raise one question or another against them. However, if we see the role of peasant entrepreneurs from the angle of promoting modernization and carrying out economic reform in our rural ares, we will come to understand their great positive role. We are sure that we can give play to their positive role by economic means and limit their negative factors by legal means so as to create a favorable environment for the healthy growth of peasant entrepreneurs and to enable more peasants to make their contributions to social progress. With the continuous growth of peasant entrepreneurs, rural economic reform will make more headway, the rural economy will continue to grow steadily, and the entire national economy will have a solid foundation.

SYMPOSIUM HELD ON RED ARMY EASTWARD EXPEDITION

HK040237 Taiyuan SHANXI RIBAO in Chinese 22 May 86 p 1

[Report by Zhang Lingpeng and Guo Zhanbin: "Symposium on Source Materials of History of the Red Army's Eastward Expedition"]

[Text] A symposium on source materials of the history of the Red Army's eastward expedition was held in Taiyuan on 21 May. The main subject under discussion at the symposium was the approval of the "Findings Report on Special Materials Concerning the Red Army's Eastward Expedition in 1936", compiled by the Party History Research Center of the provincial CPC Committee. The major activities of the Red Army following the expedition and the expedition's great significance was also considered.

This year marks the 50th anniversary of the Red Army's eastward expedition. To complete as quickly as possible the glorious task assigned by the Central Commission for Collecting Party Historical Data to our province, a task to specially compile the historical materials of the Red Army's eastward expedition, comrades at the Party History Research Center of the provincial CPC Committee have done much work, disregarding harships. In collecting special historial materials concerning the Red Army's eastward expedition, departments concerned at all levels, adhering to the principle of "retaining all the facts in a realistic spirit and striving for accuracy and completeness," have gathered various document and materials concerning the expedition.

At the current symposium, the provincial CPC Committee extended special invitations to the symposium to give advice and verify historical material to Chang Zhihua, political commissar of the Red Army's 15th Army group in the period of the Red Army's eastward expedition and currently a member of the Standing Committee of the Central Advisory Commission and vice chairman of the Standing Committee of the CPPCC National Committee; Guo Shushen, director of the Political Department of the Red Army's 15th Army group and former deputy secretary of the Central Discipline Inspection Commission; Tang Yanjie, chief of staff of Red Army's 28th Army unit and currently vice chairman of the National Defense Science, Technology, and Industry Commission and secretary of the Discipline Inspection Commission, and Gao Kegong, secretary of the party branch committee of Army headquarters of the Red Army's 28th Army Unit and former adviser to the Administrative Bureau of the General Staff Headquarters.

Wang Kewen, former chairman of the provincial Advisory Commission, presided over the symposium. Responsible comrades of the provincial CPC Committee, the provincial Advisory Commission, and the provincial CPPCC Committee Li Ligong, Jia Jun, and Li Xiuren attended the symposium. In his speech at the symposium, Comrade Li Ligong expounded the great significance of the Red Army's eastward expedition andd expressed his warm welcome to the four veteran comrades Cheng Zhihua, Guo Shushen, Tang Yanjie, and Gao Kegong who had come to attend the symposium.

In their speeches, Comrades Cheng Zhihua, Guo Shushen, Tang Yanjie, and Gao Kegong made explanations about the developments of the Red Army's eastward expedition and submitted valuable points and amendments to the findings report. The Central Commission for Collecting Party Historical Data sent people to attend the current symposium. Some 70 party history researchers from the prefectures, cities, and counties concerned as well as the provincial capital were present at the symposium. They included Li Zhimin, Xie Fengxia, and Zhang Yutian who members of the Commission for Collecting Party Historical Data of the provincial CPC Committee.

FOREIGN EXCHANGE RESERVE FIGURES PUBLISHED

HK050208 Beijing ZHONGGUO XINWEN SHE in Chinese 0857 GMT 5 Jun 86

[Report: "China Publishes Figures of Foreign Exchange Reserves for the First Quarter of 1986"]

[Text] Beijing, 4 Jun (ZHONGGUO XINWEN SHE) -- The sixth issue of the Chinese magazine ZHONGGUO JINRONG published today carries a statistical table. It shows that China's state foreign exchange reserves continued to fall in the first quarter of this year. By the end of March, the figure of foreign exchange reserve was $10.348 billion, or $1.565 billion les than the figures at the end of last year. Among the total foreign exchange reserve, the foreign exchange in the state treasury also decreased each month. By the end of March, this figure was $2.555 billion, and the foreign exchange balance in the Bank of China was $7.793 billion. Early this year, an offical of the state administration of exchange control pointed out: The shortage of China's foreign exchange funds will continue for a fairly long period. So in the period of the Seventh 5-Year Plan, the limited foreign funds must be used in the projects which can increase exports and increase foreign exchange incomes, and must be used to import the urgently needed technologies, equipment, and personnel training services. ZHONGGUO JINRONG today also publishes other figures: by the end of March, the state's foreign debt was $5.87 billion; and the gold reserve was 12.67 million ounces.

MEETING ON PROVINCIAL BORDER AREA DEVELOPMENT HELD

HK040147 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 3 Jun 86

[Text] A discussion meeting on economic and social development strategy in the contiguous border areas of Hebei, Shanxi, Shandong, and Henan Provinces was held in Beijing on 27 and 28 May. A number of leading comrades of state organs, experts and scholars in economic theoretical circles, and well-known journalists, totalling 300 persons, held thorough discussions on how to invigorate the economy in these areas as soon as possible.

These border areas embrace 15 prefectures and cities, with a total area of nearly 10,000 square kilometers, including Xinxiang in Henan, Xingtai in Hebei, Liaocheng in Shangdong, and Changzhi in Shanxi. The population of the area is 44 million. In the past, economic development was affected there due to separation of central and local lines of command.

In order to change this state of affairs, the border areas established last September a coordination conference for economic development. To give full play to the role of this economic organization and seek the views of various circles, they have held this relatively large-scale meeting on economic and social development strategy in Beijing. More than 20 leading comrades, experts, and scholars attending the meeting, including Ping Jiesan, Luo Yuchuan, Yang Jie, and Yu Guangyuan, made speeches. Many comrades held: There are rich natural resources in these areas, their agriculture is developed and they have good communications, [words indistinct]. These very good conditions show that there are excellent prospects for economic invigoration in these areas.

They suggested that the prefectures, cities, and counties in these areas organize extensive economic ties, take advantage of their strong points, avoid their weak ones, change from the previous method of simply relying on selling raw materials and grain, and instead vigorously develop coal, electric power, building materials, petroleum, chemical industry, mining, processing, and so on. They also suggested that special attention be paid to exploiting brainpower and improving manpower quality. The slow development of culture and technology in these areas should be transformed as soon as possible.

RETIRING COMRADES WARNED ON NEGATIVE REMARKS

HK050337 Beijing WEN ZHAI BAO in Chinese No 317, 1 Jun 86 p 1

[Article by WEN ZHAI BAO data office: "Do Not Lightly Say That the New Leading Groups 'Negate the Past'"]

[Text] Recently, a central leading comrade explicitly pointed out: Comrades who have withdrawn from leading positions should not lightly make such remarks as the leading groups "negate the past" for this will make it difficult for the new leading groups to do their work. The situation is changing all the time. The CPC Central Committee and the State Council also give new instructions and make new arrangements. Some previous changes in personnel or things could hardly be avoided, but this is different from negating the past. We should all be glad if the new leading groups attain new success.

HU YAOBANG GUIDELINES ON DOCTORATES CONVEYED

OW040127 Beijing XINHUA Domestic Service in Chinese 1249 GMT 2 Jun 86

[By reporter Yang Zhaobo]

[Text] Beijing, 2 Jun (XINHUA) -- The State Council Academic Degree Committee appraisal group ended its 9-day third session in Beijing today. Hu Qili and Li Peng, members of the CPC Central Committee Political Bureau; Deng Liqun, member of the CPC Central Committee Secretariat; Zhou Gucheng and Yan Jici, vice chairmen of the NPC Standing Committee; Qian Changzhao, Zhou Peiyuan, Fei Xiaotong, Mao Yishing, and Lei Jieqiong, vice chairmen of the CPCC, met all the comrades participating in the meeting this afternoon at the Great Hall of the People. Hu Yaobang's guidelines were conveyed at today's closing ceremony. Hu Yaobang said; Degree-awarding work is a major event. Hence, this is an important meeting. He thanked the scholars and scientists participating in the meeting for their contributions educational and scientific undertakings.

After careful screening by some 600 experts and scholars, the meeting approved 671 institutes empowered to confer doctorates; 1,797 professors to advise doctorate candidates; and 2,045 institutes authorized to award master's degrees. Of those newly approved advisers to doctorate candidates in the arts, science, and engineering, 51 percent are under the age of 55; the youngest is only 33 years old. Advisers to doctorate candidates in China under the age of 55 previously constituted only 10.8 percent of the total. The meeting made some readjustments on the proportion of degree-awarding subjects and regional distribution of degrees in accordance with the requirements of national construction of degrees and in consideration of the current degree-awarding situation. More degrees will be awarded on application-oriented subjects in the arts, engineering, and clinical medicine. Some doctoate and master's degree programs which institutes were authorized to offer did not have any students; institues will now enroll candidates for these programs. Some institutes will be set up to offer doctorates and master's degrees in new branches of learning and frontier science. Border areas will be authorized to set up more institutes offering master s degrees and to open more branches of learning. More institutes offering doctorates will also be set up in China's southwest and northwest areas. The meeting pointed out: From now on, we should strengthen institutes offering doctorates and master's degrees; correctly handle the work of entrusting degree-awarding power to institutes; and do student enrollment work well. In addition to training masters and doctors to work at institutes of higher learning and scientific research units, we should also train a certain number of masters and doctors who can apply their knowledge in the work of various production departments and financial, commercial, political, and legal system. Finally, the training of postgraduates and conferring of degrees should also help promote cooperation between scientific research organizations and institutes of higher learning.

LI PENG INSPECTS SHENZHEN UNIVERSITY, PRAISES WORK

HK010406 Beijing GUANGMING RIBAO in Chinese 23 May 86 p 1

[Report by Reporter Wu Xiaomin and SHENZHEN QINGNIAN BAO reporter Cao Changqing: "Li Peng Inspects Shenzhen University, Asks About Ideological and Political Work Among students"]

[Text] On the morning of 21 May, Li Peng, vice premier of the State Council and minister of the State Education Commission, inspected Shenzhen University.

After listening to a report given by Luo Zhengqi, president of Shenzhen University, on comprehensive reforms carried out in the university, Li Peng said: You are providing experience for conducting reforms in institutions of high learning and are constantly summing up your experience in order to perfect it.

During his 1 and 1/2-hour inspection, Li Peng asked in detail about ways of reforming the traditional ideological and political work among students -- the work-study program; students running banks, lawyers' offices, accountants' offices, postal and telecommunications offices, guesthouses, and washing machine factories; the replacement of grants with scholarships, the credit system, and so on. Luo Zhengqi explained that these practices have enlivened the students' ideology and deepened their love for the socialist system. The number of students wishing to become party or CYL members has increased with each passing day. Large numbers of students who are more capable of standing on their own feet, who are strict on themselves, who have attained good results in their studies, and who have gained substantial experience in social practice have been trained. Li Peng said happily that these students will be able to better meet the needs of society after they graduate. Accompanied by Liang Xiang and Zou Erkang, leaders of the Shenzhen City CPC Committee, Li Peng also inspected the university's computer studies education and visited the video-aided classrooms aud the students' dormitories.

LI PENG URGES SELF-RELIANCE IN MODERNIZATION

OW041846 Beijing XINHUA in English 1411 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- China should rely mainly on its own products to push ahead with the modernization drive instead of importing large amounts of foreign equipment, Vice-Premier Li Peng said today. He told the current national machine-building conference here that it was essential for industry to be supplied with as much Chinese-made equipment as possible. Li said: The machine-building industry should provide other industrial sectors with more quality products." He pointed out that imports of advanced technology and equipment were still needed to raise technological standards and speed up the modernization program. China's machine-building industry plans to import 800 items of technology to modernize its existing factories over the coming five years. Li said tht this would raise standards and benefit the country. But he warned: "Demands are great while foreign exchange is limited."

China's machine-building sector accounts for a quarter of the country's industry in terms of total fixed assets, workers, output, profits and taxes, and therefore plays a decisive role in developing the national economy. Li said the industry must meet several challenges over the next five years, but priorities should be given to 11 major schemes, including equipment for the second stage of building at the Baoshan Steel Works in Shanghai and for the power industry. He urged the industry to concentrate on producing more than 400 large, high-capacity items of equipment for, among other things, power generating, fodder processing and coal dressing. "These are the key projects for China to complete in the Seventh Five-Year Plan," he said. "The industry should focus its efforts on manufacturing them of the highest quality." Regarding management reforms, he praised the industry for giving more decision-making powers to local factories over the past few years. Li added that many better equipped military enterprises in the industry should co-operate with civilian factories and play a bigger role in boosting the national economy.

LI PENG PRESENTS JAPANESE GIFTS TO CHILDREN

OW300230 Beijing XINHUA Domestic Service in Chinese 1523 GMT 29 May 86

[Excerpts] Beijing, 29 May (XINHUA) -- On the eve of Children's Day on 1 June, party and state leaders and some departments have donated gifts to the Children's Activity Center to extend holiday greetings to all children. Li Peng, CPC Central Committee Political Bureau member and vice premier of the State Council, has presented toys donated by Japanese friends to the center. In his accompanying letter, he said all sectors of society should do their best to properly work among children because it is a task of far-reaching significance. He urged the center to carry out varied and colorful activities beneficial to the physical and mental health of children. The Aircraft Engineering Department of the Beijing College of Industry donated 500 paper airplanes. People of various circles dedicated to work among children donated all types of toys and renminbi to the center.

BA JIN, OTHERS DONATE CHILDREN'S LITERATURE PRIZE

OW031008 Beijing XINHUA in English 0813 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- The Soong Ching Ling foundation announced here today that it has established a children's literature prize. The prize money -- 400,000 yuan in all -- was donated by the Ministry of Culture, the State Education Commission and the Ministry of Radio, Film and Television, as well as celebrated literary figures including Ba Jin, Xie Bingxin and Ding Ling. The purpose of the prize, the foundation said, is to encourage writers of children's literature to carry on the will of Soong Ching Ling, late honorary president of China, to be more concerned with the well-being of children. It will also help implement the instructions of Chinese leader Deng Xiaoping, who said that efforts to raise the cultural quality of the whole nation should be focused on the children, the foundation added. According to the foundation, the prize will be given to outstanding writers of film scripts, plays and other literary works for children. And emphasis will be given to children's plays created since 1986 when the first prize is awarded June 1 next year.

BO YIBO URGES SENIOR CADRES TO SUPPORT YOUNG

OW041922 Beijing XINHUA in English 1536 GMT 4 Jun 86

[Text] Nanjing, June 5 (XINHUA) -- Senior party leader Bo Yibo called on retired party leaders to give full support to the newly promoted ones. He told a meeting of East China Group of the Central Advisory Commission of the Chinese Communist Party that to promote young people to leading posts at all levels was a major policy decision of the party to ensure the continuity of the party policies and the replacement of the old by the young was what the party cause requires. "The old comrades have made contributions to the revolution and now that they are old, they should be wise enough to give a free reign to the young ones in their work," he said. He said that facts over the past few years proved that the newly promoted young cadres are full of creative spirit and have done an outstanding job in carrying out the line, policies and principles the party has formulated since the Third Plenum of the 11th party Central Committee in 1978. Bo Yibo, vice-chairman of the Central Advisory Commission, urged retired cadres to continue studying Marxism and Mao Zedong Thought, in the light of the new situation following the introducing of the open policy and economic reforms. The group met from May 28 to June 3 in Wuxi and discussed matters relating to improving the party style of work and social climate.

YU QIULI ADDRESSES MILITARY PERSONNEL MEETING

OW010143 Beijing XINHUA Domestic Service in Chinese 1331 GMT 30 May 86

[By RENMIN RIBAO correspondent Feng Yuan and XINHUA reporters Liu Huinian and Jie Xianzhen]

[Text] Hangzhou, 30 May (XINHUA) -- Yu Qiuli, deputy general secretary of the CPC Central Military Commission and director of the PLA General Political Department, addressed an on-the-spot meeting of the Nanjing Military Region on the integrated training of personnel for military and civilian work on 29 May. He said: All Army units should promote the experience of a certain division of the Nanjing Military Region and propel the training work of dual-use personnel to a new stage. The Nanjing Military Region division concerned had an early start in training personnel for military and civilian work. Recently, it again offered fresh experiences in the integrated training of personnel for military and civilian work. During the meeting Yu Qiuli and comrades from large units in the Army made an on-the-spot inspection of the training work of dual-use personnel in this division; and also watched them perform professional skills. He held a discussion meeting with all levels of leading cadres taking part in the meeting; summed up experiences gained by the Army in training dual-use personnel in recent years; and studied concrete ways and demands on thoroughly carrying on the training work. Yu Qiuli said: Some 900,000 people in the Army attended training classes for military and civilian work last year, of which some 500,000 received passing certificates or technological certificates. According to incomplete statistics from 23 provinces, autonomous regions and municipalities, some 420,000 discharged rural military men with dual-use skills have been employed by various professions and trades; they play an active role in various fronts. Yu Qiuli drew on the reality in the Army and related the important meaning of the training of personnel for military and civilian work to the strengthening of Army building. On behalf of the CPC Central Military Commission, he called on Army units to treat the training of dual-use personnel as an important task in the new period of Army building. All units should, with a high sense of political responsibility, and in a spirit of responsibility toward the country, Army, cadres and fighters, fulfill in a still better way the reform of troops training in the new period. He called on all units to do practical work, making the dual-use personnel training work a regular training course, integrating it as a whole with military training, political education, and scientific and cultural study. All-round consideration, unified planning, time, organization, implementation, standard training equipment, and training spots are called for in training dual-use personnel. In addition, he called for a solid, quality, and healthy development of training work for dual-use personnel. The meeting will end on 31 May.

YANG SHANGKUN INSPECTS MILITARY ACADEMIES

OW020455 Beijing XINHUA Domestic Service in Chinese 0646 GMT 1 Jun 86

[By reporter Zhao Su]

[Text] Shijiazhuang, 1 Jun (XINHUA) -- During a recent inspection of military academies, Yang Shangkun, permament vice chairman of the Central Military Commission, stressed the importance of regarding comprehensive reform of military academies for training qualified personnel as a strategic focus of Army building. Accompanied by Qin Jiwei, commander of the Beijing Military Region, Yang Shangkun inspected military academies in the Shijiazhuang area 27-31 May, having inspected military academies in the Zhengzhou area last September. After the inspection, Yang Shangkun said: To successfully carry out Army building in the new era, we must concentrate our efforts on two areas, that is, improving equipment and training qualified personnel.

It is necessary to attach strategic importance to military academy education by steadfastly carrying out a comprehensive reform focused on the teaching program in order to set up a modern military educational system having the characteristics of our Army and in keeping with the reality in China, build a number of highly qualified academies, and train large numbers of personnel specializing in various fields to meet our Army's modernization needs before the end of this century.

Yang Shangkun said: We must adhere to a clear direction and adopt prudent methods and measures to reform military academies. Commanders' academies should continue to focus the training on secondary specialized education in order to train large numbers of qualified personnel needed by the Army. Where conditions permit, academies may offer regular or special college courses. At the same time, it is necessary to improve the training of technical officers by setting up, on a trial basis, a few general academies for joint training of military, political, and logistic commanders. It is also necessary to develop step by step postgraduate education, improve officers' advanced study system, and inaugurate classes for noncommissioned officers in a planned manner. Successful completion of these reform measures will enable our army to train qualified personnel in various fields, at different levels, and on a solid foundation. Yang Shangkun emphatically pointed out: In reforming military academies, it is necessary to uphold the principle of directing the training to meet actual needs. Reform in recruitment, teaching, and examination should be conducive to enhancing the students' capabilities. Overemphasis on diplomas and grades must be avoided.

CHEN PIXIAN INSPECTS FUJIAN LOCALITIES 10-22 MAY

OW241423 Fuzhou Fujian Provincial Service in Mandarin 1030 GMT 23 May 86

[Text] Between 10 and 22 May Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee, inspected Putian, Quanzhou, Xiamen, Zhangzhou, Longyan, and Sanming in our province, in the company of Wu Hongxiang, Wen Xiushan, and other comrades.

Inspecting the coastal areas that are opening to the outside world, Comrade Chen Pixian said: Overseas Chinese have a strong desire to initiate projects in their native places. In developing village and town enterprise and enterprises run by Overseas Chinese, it is imperative to do good work among Overseas Chinese; compatriots of Hong Kong, Macao, and Taiwan; and their relatives so that through them we may actively develop foreign trade and acquire capital and import equipment from the outside in order to accelerate the pace of our economic construction. He added: The open economic zone of southern Fujian has favorable conditions for developing the economy, because it is close to the sea coast, maintains connections with a large number of Overseas Chinese, and has good information facilities. Based on the local strong points, efforts should be made to improve the work of Overseas Chinese affairs -- respect the will of the Overseas Chinese, consult with them, and recruit them to come to establish either enterprises solely owned by themselves or joint ventures, as they like. In this way you can put your construction work in high gear. On many occasions Comrade Chen Pixian stressed: We should not vacillate in implementing the central authorities' policy of letting some people get better off first. Coastal areas should become better off first and should energetically help poor inland areas.

At a meeting with leading comrades of the Xiamen Special Economic Zone Comrade Chen Pixian said: Xiamen has indeed undergone tremendous changes. However, you should sum up the experiences gained since you began the construction of this special economic zone and draw lessons from your experience. You should know our country's purpose setting up special economic zones.

The main tasks of such zones are to import, assimilate, and master advanced technologies and disseminate such technologies to the interior of our country; acquire foreign capital; have our products enter the international market; make more foreign friends; and so forth. Special economic zones should coordinate with each other and adopt measures to avoid duplicate imports.

On his inspection tour of the old revolutionary base areas in western Fujian Comrade Chen Pixian visited the site of the Gutien meeting and contacted many peasants at (Guangming) village, (Nanyang) township, Shanghang county, to learn the conditions of their production work and everyday life. He also inspected (Zhongxin) primary school at (Nanyang) township and encouraged teachers and students to carry forward the revolutionary tradition of establishing schools by the side of farmland, try to run their school well, and improve the quality of education so as to train competent personnel for the program of the four modernizations.

Comrade Chen Pixian held discussions with responsible persons of the seven counties and cities of Longyan Prefecture and the concerned departments of this prefecture on the important issue of developing the economy in western Fujian. He said: The provincial CPC Committee's proposal that efforts be made to open to the outside world on one hand and to discard poverty and become better off on the other is in conformity with the actual situation in Fujian and the guidelines set by the central authorities. Fujian will have a bright future as long as unremitting efforts are made to grasp these two tasks and fulfill the requirements. He added that on this trip to western Fujian he saw great progress that has been made in developing production and a considerable improvement in the local people's living standards. However, he pointed out that development is still uneven in various localities and that earnest work should be done to help the poor. He also made some suggestions with regard to western Fujian's work for the present and for some time to come.

On 22 May Comrade Chen Pixian arrived in Sanming City, where he inspected the Sanming Iron and Steel Plant, a textile mill, and a printing and dyeing plant and inquired about their production work and the living conditions of their workers. He also met with some of the factory leaders and model workers.

CUI YUELI ON BATTLING ENDEMIC DISEASES

OW241130 Beijing XINHUA in English 0657 GMT 24 May 86

[Text] Beijing, May 24 (XINHUA) -- With snail fever and Keshan disease virtually eradicated in China, the Central Committee of the Chinese Communist Party is disbanding the two leading groups that fought them for three decades. Researchers attending a national endemic control conference here today were told the Central Committee leading groups for control of snail fever and of other endemic diseases -- those concentrated in local areas -- would cease operations. Guangdong Province and the rural counties under the administration of Shanghai, major trouble spots in the past, have eradicated snail fever. Elsewhere, of 372 counties and cities where snail fever was prevalent, 274 have virtually eliminated the disease and the others have virtually eliminated the disease in more than half of their townships and two-thirds of their smaller villages. Acute cases of Keshan disease -- a cardiac musular disorder mostly found in areas of northeast China -- have dropped to historical lows. There have been no mass outbreaks of the disease for 12 years. Cui Yueli, the minister of public health, said the battle against such endemic diseases as thyroid problems will continue under the supervision of his ministry.

CHEN GUANGYI ATTENDS FUJIAN CPPCC CLOSING MEETING

022341 Fuzhou FUJIAN RIBAO in Chinese 22 May 86 p 1

[Excerpts] (FUJIAN RIBAO report) The Fifth Session of the Fifth Fujian Provincial CPPCC Committee came to a successful close yesterday (21 May). The meeting called on members of all CPPCC organs and people of all walks of life in Fujian to exert concerted efforts, press forward, and make even greater contributions to developing and strengthening the broadest possible paatriotic united front, achieving the Seventh 5-Year Plan, unifying the motherland, and rejuvenating China under a patriotic banner and in accordance with the requirements set forth by the Fujian Provincial CPC Committee, namely "unity, stability, development, and advancements."

The executive chairmen of the meeting's closing session were Yuan Gai, Chen Xizhong, Zhang Kehui, Jiang Xuedao, Ni Songmao, Xu Xianshi, Zhao Xiufu, Lu Haoran, Zuo Fengmei, Chen Yangzeng, Xu Jimei, and Yang Zhongli. Comrades of the Fujian Provincial CPC Committee and its advisory and discipline inspection commissions; the Standing Committee of the provincial People's Congress; and the provincial people's government, including Chen Guangyi, Hu Ping, Hu Hong, Gao Hu, Cheng Xu, Cai Ninglin, He Shaochuan, Wang Yan, Guo Ruiren, Kang Beisheng, Liu Yongye, Cai Liangcheng, You Dexin, Huang Changxi, and Chen Binfan, were on the rostrum.

The meeting adopted the political resolution of the Fifth Session of the Fifth Fujian CPPCC Committee. The resolution notes: The next 5-year period is an important period for Fujian's economic development. Accomplishing the work required during these 5 years is essential in order to consolidate and develop the successes achieved during the previous 5-year period, ensure Fujian's economic reju;venation and prosperity during the 1990's, and achieve its grand objectives by the end of this century. The meeting maintained that in the course of implementing the Seventh 5-Year Plan it is necessary to adhere to the policies of reform, opening to the outside world, and enlivening the domestic economy; persist in giving top priority to reform; promote all types of lateral economic ties; and expedite the development of the socialist commodity economy.

SHANGHAI: READING ACTIVITY FORUM HAILS '100 FLOWERS'

OW020421 Shanghai City Service in Mandarin 0000 GMT 1 Jun 86

[Text] The second annual meeting of Shanghai reading activity to revitalize China ended on the afternoon of 31 May. Forty-three theses were presented at the meeting, summarizing the theory and studying the practice of the reading activity. The All-China Federation of Trade Unions sent a congratulatory message to the meeting.

Sun Gang, deputy director of the municipal party committee's Propaganda Department, spoke at the meeting. He said: Mass reading activity should be guided by theory. To facilitate the ongoing economic structural reform, the reading activity and its study should be carried out in close coordination with the building of material and spiritual civilization and political and ideological work. It is necessary to advocate the principle of letting a hundred flowers blossom and a hundred schools of thought contend in order to foster a relaxing and harmonious atmospher.

Representatives from six provinces and cities in central China briefed participants about their reading activities.

ZHEJIANG ANTILARCENY CAMPAIGN TO BEGIN IN JUNE

OW032353 Hangzhou ZHEJIANG RIBAO in Chinese 25 May 86 p 1

[Excerpts] (ZHEJIANG RIBAO report) Beginning in June, an antilarceny struggle will be launched throughout Zhejiang to strike at larceny, according to the conference of secretaries of political and legal affairs commissions and directors of public security bureaus and departments of various municipalities and prefectures, sponsored by the Political and Legal Affairs Commission of the Zhejiang provincial party committee.

The conference, which came to a close yesterday, was chaired by Yuan Fanglie, member of the Standing Committee of the provincial CPC Committee and secretary of its Political and Legal Affairs Commission. Li Chaolong, deputy secretary of the commission, and leading comrades of the provincial Higher People's Court, the provincial People's Procuratorate, the provincial public security department, and the provincial judicial department attended the meeting.

The meeting pointed out: Although Zhejiang's public order h;as conspicuously improved, because of inadequate security measures and management after the province opened to the outside world and took measures to enliven its economy, the number of larceny cases has been increasing. Last year over 80 percent of all criminal cases were cases of larceny. The percentage is tending to increase this year.

The meeting noted: The struggle against larceny covers an extensive area and must be carried out under the guidance of a strong policy. Party committees and government organs at all levels must strengthen their leadership over this project, draw up a unified plan, and implement it meticulously. All departments and units must mobilize their cadres and staff members to take an active part in the antilarceny struggle. They should commend those who distinguish themselves in the struggle in order to enhance morale and seriously handle those who protect and harbor the criminals, according to the seriousness of the case. Judicial organs at all levels must work in coordination with each other so that effective antilarceny forces can be formed.

FEMALE INFANTICIDE REPORTED IN COASTAL ZHEJIANG

OW250939 Hangzhou Zhejiang Provincial Service in Mandarin 0300 GMT 24 May 86

[Text] Letter from station reporter (Zhou Weixiang) and correspondent (Liang Youxiong):

In a hospital in Taozhou, we met a peasant woman carrying a baby girl who told us that her husband had abandoned them when she gave birth to the girl. According to the hospital obstetrician, there are many cases of discrimination against female infants. After learning that his wife gave birth to twin baby girls, a husband demanded that the doctor find a boy for him. Also, cases of abusing, abandoning or even drowning female infants have been reported in the coastal region. They explain the pernicious influence of the feudalist idea of regarding boys as more important than girls among the local peasants. Departments concerned should step up education on protection of children's rights and interests. Infanticide should be punished according to the law.

BEIJING ECONOMISTS MARK 100 FLOWERS ANNIVERSARY

OW032341 Beijing Domestic Service in Mandarin 1000 GMT 31 May 86

[Text] Economic circles in the capital sponsored a forum this morning to mark the 30th anniversary of the policy of letting a hundred flowers blossom and a hundred schools of thought contend. Over 50 experts, professors, and middle-aged and young scholars of the capital's economic circles attended the forum, during which they freely discussed the experiences gained from upholding the policy.

They said: A sound democratic and legal system guarantees the implementation of the "double hundred" policy in economic theoretical study. New ideas cannot possibly come up in economic study without a good, liberal environment. They also noted that as economic workers, they must be deeply involved in reform and construction, have the courage to explore and bring forth new ideas; actively study the intrinsic laws governing the socialist commodity economy; develop socialist economic theory; and understand the scientific approaches of noted economists Ma Yinchu and Sun Yefang in pursuing their study.

LI XIMING ADDRESSES BEIJING PLA TRANSFER CEREMONY

OW042358 Beijing XINHUA Domestic Service in Chinese 1335 GMT 4 Jun 86

[By reporter Gai Yumin]

[Text] Beijing, 4 Jun (XINHUA) -- The administration of People's Armed Forces departments of districts and counties under Beijing's jurisdiction has been successfully transferred to the local authorities at a handover ceremony this afternoon. The administration of People's Armed Forces departments of counties and cities in six provinces, autonomous regions, and municipalities, directly under the central government has already been transferred to local authorities, and these People's Armed Forces departments have begun to operate under a new system.

Transferring the administration of People's Armed Forces departments of the nation's counties and cities to local authorities began last March, in accordance with a decision of the Central Committee, as part of the project of restructuring and streamlining the Armed Forces. In a cooperative manner, military and civilian authorities in all localities have been working in close coordination over the past several months and, thanks to a great deal of earnest and meticulous preparatory work, the administration of these Armed Forces departments was successfully transferred to local authorities. Prior to that in Beijing, the administration of People's Armed Forces departments of all counties and cities in Shanxi, Hebei, Tianjin, Nei Monggol, and Ningxia had already been transferred to local authorities.

Speaking on behalf of the Beijing municipal party committee and the Beijing municipal government at the handover ceremony in Beijing today, Li Ximing, secretary of the Beijing Municipal CPC Committee, warmly welcomed the comrades of the district and county People's Armed Forces departments to become new citizens of the capital. Li Ximing also urged them to maintain and carry forward the fine traditions of the People's Armed Forces, work hard to create a new situation for milita and reserve services, and make new contributions to promoting spiritual and material construction in the capital.

BEIJING BRIBE-TAKER CONFESSES: CHARGES DROPPED

OW040925 Beijing XINHUA in English 0701 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- A steel salesman, although considered guilty of accepting bribes, will not be publicly charged by the Beijing Municipal People's Procuratorate because he "voluntarily confessed his crime and returned all the money." An official from the People's Procuratorate said here today that Jia Shunfu, 51, a salesman for the specialty steel division of the Capital Iron and Steel Company, confessed on December 29, 1985, that he had taken 16,000 yuan (5,000 U.S. dollars) in bribes. Jia returned all the money when he made his confession. Jia said he accepted the bribes from January to August, 1985, in the course of his work selling speciality steel to other provinces. An investigation by the People's Procuratorate confirmed Jia's confession, said the official.

According to the law, said the official, Jia was considered guilty of accepting bribes. But taking into consideration his voluntary confession and the return of the money, he will not be publicly charged by the procuratorate. However, the party committee of his company has expelled Jia from the Communist Party of China. His company placed him on probation at his job as a punishment.

SHANXI RIBAO ANALYZES PARTY CONTRADICTIONS

HK040923 Taiyuan SHANXI RIBAO in Chinese 24 May 86 p 1

[Commentator's article: "Correctly View and Handle Contradictions Within the Party"]

[Text] Do contradictions still exist in our party in the new historical period? What are the contents and expressions of such contradictions? How should we go about distinguishing contradictions of a different nature? Scientifically analyzing and handling these problems is of great theoretical and practical significance for victoriously waging struggle within the party, eliminating rottenness in the party, strengthening people's concept of the party, improving the party's strength, and bringing about a fundamental turn for the better in party style.

Based on developing the peak of Marxist theory, Comrade Mao Zedong wrote his brilliant theoretical work "On Contradictions," which provided us with a fundamental method for understanding everything in the world. He said that everything in the world is full of contradictions. Everything is developing and advancing amid the movement of its own contradictions. Without contradictions within the party and ideological struggle to solve those contradictions, the party's life would come to an end. These brilliant reasonings remain today the powerful ideological weapon for correctly viewing and handling contradictions within the party. At present, we are living in social and historic conditions when we are carrying out a whole series of reform policies, when the new and old systems are existing together and the new are also replacing the old, and when, due to domestic factors and international influences, the class struggle will continue to exist for a long time within a certain framework and may even sharpen. All kinds of contradictions are bound to be reflected within the party and affect the antagonism and struggle of the various contradictions within the party. Viewing the contents and expressions of these contradictions, they can in general be divided into two categories: 1) contradictions between different views in work and in understanding; 2) contradictions between individual interests and the interests of the party and people.

As these two kinds of contradictions in the party are different in nature, the methods of resolving them are also different. Generally speaking, contradictions between different views in work and in understanding do not come under the category of antagonistic contradictions, and we can only adopt the method of democratic centralism in resolving them. Decisions on major policy decisions by the party organizations at all levels should only be made after repeated discussion. At party meetings, party members are allowed to freely express their opinions and to criticize anyone, and even if they are wrong they should be protected. So long as a wholehearted effort has been made, deviations of various kinds are permitted to occur in work, and should not be punished in a random way. If people disagree with the policies and principles of the central authorities, they are allowed to reserve their opinions so long as they do not violate these principles and policies and strive to implement them in their work.

Of course, these non-antagonistic contradictions may turn into antagonistic ones. This happens: 1) if people not only reserve their opinions regarding the guidlines and policies of the CPC Central Committee but also boycott them in their work; 2) if people spread outside the party organization their own ideas and policies opposed to those of the CPC Central Committee. In this way the party's organizational principles and discipline are sabotages. In these two circumstances, the contradictions will turn antagonistic. It is necessary to deal severely with such people to the extent of expelling them from the party.

It is also necessary to make a specific analysis of the other kind of contradiction in the party, that is, between individual interests and the interests of the party and people. We demand that every party member unconditionally subordinate his individual interests to the interests of the party. This is the fundamental demarcation line between party members and non-party masses. However, this certainly does not mean that the party organizations should not be concerned about party members' individual interests. Still less does it mean that all contradictions between party members' individual interests and the interests of the party are antagonistic. In fact, most contradictions of this kind are non-time error as something that is beyond saving.

However, it must be explicitly pointed out that in the case of those party members who seriously violate law and discipline, pursue private interests, and gravely damage the interests of the party and people for the sake of individual interests and the interests of small groups in their own units and departments, the contradictions between them and the party are antagonistic. There is a big demarcation line here. By grasping his line, we will be able to distinguish between problems of pursuing private interests, on the one hand, and different views and mistakes in work and understanding, on the other.

At present the main deviation in our party is not one of laying excessive emphasis on the second of these two types of contradiction, but of lacking sufficient understanding of it, failing to take a clear-cut stand, and not daring to get to work with boldness to resolve those contradictions that are antagonistic and have even become sharply antagonistic. This is an expression of political weakness. This is also the main reason why there is brazen economic crime in certain places, why the party organizations lack strength, why party rectification is done superficially or basically superficially, and why the cadres and masses lack confidence in bringing about a fundamental turn for the better in party style and social mood. We must therefore eliminate this weakness. To do this, the leading organs at all levels must take the lead in seriously putting the political life of the party organizations and democratic centralism on a sound basis, and actively, correctly, and steadily resolve the various contradictions within the party. In the course of resolving the contradictions, we should strengthen the combat ability of the party organizations at all levels and promote the vigorous development of the party's cause.

LI ZIQI VIEWS SOUTHERN GANSU ECONOMIC DEVELOPMENT

HK291446 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 28 May 86

[Text] Provincial CPC Commmittee Secretary Li Ziqi said: Speeding up the economic development of southern Gansu is a strategic step in invigorating our province's economy. We must get a good grasp of implementing the identified principles, measures, and projects which have been proved correct by practice. We must grasp them firmly to the end. This view of Li Ziqi's was put forward at the forum on accelerating the economic development of southern Gansu, which was held by the provincial CPC Committee and provincial government yesterday morning [28 May].

In dealing with how to correctly implement the spirit of General Secretary Hu Yaobang's instruction, and how to speed up the economic development of southern Gansu, Comrade Li Ziqi talked about six views. He held: Doing a good job in grain production is an important issue which has a bearing on whether or not the situation in southern Gansu is stable and whether or not economic construction can be speed up. He said: Over the past few years, in the wake of the readjustment of the rural production structure, southern Gansu has turned some steep, sloping fields back into forest land and pastoral areas, and correspondingly reduced the area of grain fields. To develop grain production, southern Gansu must work hard to increase the per-mu yield.

Proceeding from the realities of southern Gansu, Li Ziqi also talked about the problems of how to develop diversification; how to invigorate the economy of the forest zones; how to enliven circulation and to develp commodity production; how to rely on science and technology to exploit resources; and how to lead the people of the mountainous areas and lift them out of poverty and become rich. He said: It is necessary to help thousands of households to establish a concept of commodity production. After several years' hard work, we must make sure every peasant household has a base for diversification and a good grasp of several ways of production to become rich.

Attending the forum were governor Jia Zhijie, CPPCC National Committee member Yang Zhilin, provincial Advisory Commission Vice Chairman Ge Shiying, Vice Governor Lu Ming, and some 40 responsible comrades of departments, commissions, and bureaus at the provincial level, and prefectural and county party and government departments of southern Gansu.

CENTRAL ADVISORY COMMISSION ENDS NINGXIA INVESTIGATION

HK030413 Yinchuan NINGXIA RIBAO in Chinese 16 May 86 p 1

[Report by Jing Shuzhong: "Central Advisory Commission Member Duan Junyi and Others End Investigation and Study in Ningxia"]

[Text] Standing Committee member Duan Junyi, member Liu Jie and member Zhao Jianming and other comrades of the CPC Central Advisory Commission ended an investigation and study in our region and left Yinchuan on 14 May.

Duan Junyi, Liu Jie, Zhao Jianming and other comrades arrived in our region on 1 May.

During their stay in our region, they carried out investigations and study, visited Yinchuan City, Yinnan Prefecture and eight cities and counties and some of the industrial enterprises of Guyuan Prefecture, held 13 different types of forums, visited some key projects and some of the peasant households in the mountainous areas and river areas and obtained first-hand information on the development of the town and township enterprises and the rural commodity production in our region. Despite their old-age, they went deep into the grass roots to carry out investigations and studies. Their spirit has left a deep impression among the cadres and masses of our region.

On 4 May, they arrived at Yongding County and held a special forum on the question of how to accelerate the development of town and township enterprises. Over the past few years, Yongding County has been rapidly developing lateral economic ties. In 1985, the county signed a total of 45 economic cooperation agreements with economically advanced areas. And in the same year, 35 cooperative projects went into production, 30 kinds of new products were developed, over 5.5 million yuan of output value was realized, the total industrial and agricultural output value doubled that of 1980, and the average per capita income in the agricultural sector reached 482 yuan, an increase of over 250 percent over that of 1980. Comrade Duan Junyi gladly said to the comrades of Yongding County that developing lateral economic ties is a good approach, and they have done a good job in this respect. Later, they also visited with great interest some of the town and township enterprises.

In Zhongwei County, they visited Shapotou natural reserves. On 7 May, the weather was fine and the sun was shining, Duan Yunyi and other comrades climbed up to the 30-meter-high drifting-sand control tower and looked at the endless Tenggeli desert and the green sandbreak forest line as well as the square grass fields scattered on the sand dunes. Comrade Duan Junyi then praised the comrades working at the drifting-sand control tower by saying that they had done a good job. Comrade Duan also said that our country has large stretches of desert and the desertification in some areas is very serious. He hoped that we would closely combine scientific research with production and make more contributions to the desert control work of our country.

After visiting Shapotou natural reserves, Duan Junyi and other comrades went on to visit Nanshantaizhi in Zhongwei County, Diao Village in Chaoyangcun of Hexi Township in Tongxin County, the No 1 pumping station of the Guhai water pumping project and so on. After asking in detail about the production and livelihood of the masses in Diao Village, Duan Junyi said to Comrade Li Xuezhi who was accompanying him that the experience of Diao Village is a good one which should be publicized to the masses so that the masses will voluntarily go to and settle down in the newly-developed areas. At the No 1 pumping station, after knowing the basic situation of the Guhai water pumping project, Comrade Duan Junyi said that the Huanghe under heaven [as published] will bring prosperity to Ningxia. The regional CPC Committee and people's government have done a good job in using water. He hoped that we would make best use of water resources by controlling water and developing water resources by making full use of the local rivers and lakes so as to enable the water of Huanghe to benefit the people of Ningxia.

On 8 May, Duan Junyi, Liu Jie, Zhao Jainming and some other comrades arrived in Guyuan Prefecture. The mainly visted the Xijie shelter-forest project and go to know about the situation regarding its construction. At the 10,000-mu Tianping forestry center, when seeing every mountain dressed in green, Comrade Duan Junyi gladly said to Comrade Hei Boli land the comrades of the Xijie County that the Xijie shelter-forest project has great significance and its construction should be continued. After listening to the report on the situation regarding the natural resources in Guyuan Prefecture, on the changes that had taken place since the 3rd Plenary Session of the 11th CPC Central Committee, and on the Seventh 5-year Plan of the prefecture, Comrade Duan Junyi said that although Guyuan Prefecture is relatively poor, the changes that have taken place over the past few years show that the prefecture has a bright future. He highly appreciated the slogan "turn the blood-transfused economy into a blood-making economy," which the Guyuan prefectural CPC Committee had put forward. The people of the mountainous areas have glorious tradition of hard struggle and plain living. We must constantly strive to become stronger instead of engaging in self-abasement, use our brain to think about possibilities, and develop lateral economic ties by relying on the advantages of our local resources.

While carrying out investigations and study in our region, Duan Junyi, Liu Jie, Zhao Jianming and some other comrades also held discussions and exchanged opinions with the responsible comrades of the regional CPC Committee on further developing water and electric power resources, accelerating agricultural development, opening of 2 million mu of irrigated land, reforming and transforming the existing big and medium-sized enterprises and tapping their potential, developing lateral economic combines inside and outside our region, strengthening the developing friendly exchanges with the Arab Islamic countries and so on. Duan and others also spoke highly of the progress made by our region in developing friendly exchanges with the Arab Islamic countries and said that they would report the situation to the CPC Central Committee and ask the CPC Central Committee to continue to give active support to Ningxia in this respect so that Ningxia would be able to further develop friendship and cooperation with these countries.

XINJIANG PEOPLE'S CONGRESS ELECTS NEW VICE CHAIRMAN

OW032311 Beijing XINHUA Domestic Service in Chinese 1207 GMT 3 Jun 86

[Text] Urumqi, 3 June (XINHUA) -- In a by-election, the Fifth Session of the Sixth Xinjiang Uygur Autonomous Regional People's Congress, which closed today, elected Zhang Shaopeng vice chairman of the regional People's Congress Standing Committee. On 2 June, the session also approved a resolution accepting Ren Gebai's request to resign as vice chairman of the regional People's Congress Standing Committee.

TRAWLER CREW STILL IN ARGENTINA AWAITING RELEASE

OW041025 Taipei CNA in English 1017 GMT 4 Jun 86

[Text] Buenos Aires, June 3 (CNA) -- The twenty crew members of the ill-fated Chinese trawler, the Chiann Der No 3, are still in Port Deseado despite the federal judge order issued Sunday night setting them free. An officer of coast guard command in Port Deseado told CENTRAL NEWS in a telephone interview Tuesday that coast guard officers and immigration officials were processing the documents necessary for their repatriation to Taiwan. The procedure was due to be completed by Wednesday, the officer said.

Foreign Ministry Files Protest

OW041518 Taipei CNA in English 1502 GMT 4 Jun 86

[Text] Taipei, June 3 (CNA) -- The Ministry of Foreign Affairs confirmed Wednesday that it has lodged a formal protest against the Argentine Government through appropriate channels for its attack on a squid trawler from the Republic of China [ROC] last Wednesday which killed two crewmen aboard and injured six others. Chenye C.Y. Chiu, spokesman for the Foreign Ministry, said that over the last weekend, his ministry had instructed Hsu Pin, director of the ROC commercial office in Argentina, to send a letter of protest to the Argentine Foreign Ministry on behalf of the ROC Government expressing the nation's solemn stand on the issue.

As early as May 31, the second day after the incident; the Foreign Ministry also issued a statement condemning the Argentine gunboat's attack which resulted in the death of two crewmen and the sinking of an ROC fishing boat worth NT dollar 80 million (about U.S. dollar 2.1 million), he said. In the letter, the government also requested that the Argentine Government find a satisfactory solution to the incident according to international law and practices, Chiu said.

Meantime, in the southern port city of Kaohsiung, many fishermen [Passage indistinct] Argentine naval forces from now on will stop their harrassment of the nation's fishing boats operating in international waters off the Falkland Islands.

FORCE 5 EARTHQUAKE STRIKES HUALIEN DISTRICT 4 JUNE

OW050651 Taipei Domestic Service in Mandarin 2300 GMT 4 Jun 86

[Text] A major earthquake of force 5 hit Hualien District early this morning. THere were power failures in some parts of Hualien District but no reports of damage to highways or railways. (Chen Chin-shui), head of Hualien County, called on various primary schools and kindergartens to adopt anti-earthquake measures. He also gave principals the authority to close schools and kindergartens if deemed necessary during a major earthquake.

This morning's earthquake occurred at 0021. The epicenter of the earthquake, measuring 5.5 on the Richter scale, was about 11 km east of Hualien and 9 km deep, namely latitude 23.97 degrees north and longitude 121.73 degrees east. According to a report from the Hualien Weather Station of the Central Weather Bureau, a total of 38 sizeable tremors occurred between last night and 0600. A total of 234 sizable tremors have occurred since the force 6 major earthquake on 20 May.

PRC SPOKESMAN ON LI'S HEALTH; ARMS SALES TO IRAN

HK050353 Hong Kong TA KUNG PAO in Chinese 5 Jun 86 p 2

["Special dispatch" from correspondent Hou Tung-Hai: "Li Xiannian Has Now Recovered From Flu; China Has Not Sold Arms to Iran"]

[Text] At a press conference yesterday afternoon, Ma Yuzhen, spokesman of China's Ministry of Foreign Affairs, answered a series of questions raised by Chinese and foreign reporters. Excerpts of the questions and answers are as follows:

Question: Is President Li Xiannian still in the hospital? Can you tell us about his health condition?

Answer: President Li Xiannian had the flu earlier, and he recovered very quickly. Now he is in good health. However, all people at an advanced age need more rest after an illness. I do not know whether he is still in the hospital.

Question: It is reported in foreign countries that China sold arms valued at $1.6 billion to Iran in May 1985, including some F6 fighters, T56 tanks, surface-to-air missiles, and other weapons. Can you comment on this report?

Answer: We have stated many times that we are not engaged in any arms transactions with Iran. China's position on the issue of the Iran-Iraq war is neutral, and we strictly adhere to this neutral position. We hope that they will stop the conflict and settle their dispute through peace talks.

Question: As for the student trouble in Tianjin, some African students have come to Beijing. Can you tell us about China's position, which China has conveyed to some African ambassadors in Beijing, regarding this event.

Answer: To my knowledge, China's State Educational Commission officials exchanged opinions on this event with the diplomatic envoys of the relevant countries last Saturday, and briefed these ambassadors and charges d'affaires on the Tianjin incident.

This unpleasant event, which took place in the evening of 24 May, between Chinese and foreign students in Tianjin University has basically calmed down. However, some Chinese and foreign students still hold different opinions on this event. So, the authorities concerned are still doing persuasive work.

Because this case is handled by the State Educational Commission, I am not in a position to tell you the details of this event. But I want to emphasize here that we regard this as an isolated event, and such unpleasant events can happen in any country among young students. So it is definitely not related to racial discrimination as some report said. I believe that this case will certainly be settled in the proper way.

Question: It is reported that two students from Beijing University were arrested for engaging in counterrevolutionary activities. Can you tell us something about this case?

Answer: As for this case, you should ask the State Educational Commission.

Question: It seems that the Sino-Vietnamese border is now rather quiet. Is this the true situation?

Answer: Along the Sino-Vietnamese border, the Vietnamese side is still frequently shelling us, or sometimes they send agents to harass us. The situation on the Sino-Vietnamese border is not quiet.

Question: It is reported that the Chinese Navy recently carried out a large-scale military exercise on the East China Sea. Can you give us some details of these military maneuvers?

Answer: Sorry, I cannot say anything about that.

Question: I would like to know about the present condition of Mr Wang Xijue. Some reports from Taiwan said that he is in a fit of depression, and he could not get the assistance he needed. Is that true?

Answer: I am willing to give you some assistance and transfer your question to the Civil Aviation Administration. I will ask them to give you an answer. However, Taiwan's reports are completely false.

MING PAO DESCRIBES PLANNED NEW PRC WARSHIP

HK040655 Hong Kong MING PAO in Chinese 3 Jun 86 p 10

[Article by Tan Wei-wen: "China's Navy Builds New-Type Warships"]

[Text] According to reliable sources, China's Navy is making plans for building an entirely new type of warship, with a displacement of 4,000 tons, to be equipped with two advanced propulsion systems recently purchased from the United States, said to be of 29,000 hp, a product of General Electric, and the same model adopted by Brazil's Navy in its LM2500PE gas turbine propulsion system; and the warship is to be equipped with another two diesel engines.

In armament, the warship is to be equipped with 100 mm gan bo automatic guns of the Giao suo lai ni system, as well as helicopters, which are for use in anti-submarine action and in guiding missiles to their targets. The helicopters could be the same as France's Aerospatiale Dauphin 2.

The chief weapon on the warship will be the surface-to-surface missile first exhibited on the 35th anniversary of the founding of the PRC. The shape and performance of this missile are similar to those of France's MM38. It is said that the performance of the missile is better than that of the Hai Ying 2 SSM (based on the Soviet Styx-type,) with which the Luda type destroyers are equipped. The Luda is equipped with two batteries of Hai Ying 2's, each with three missiles. One of them is fixed between the two smokestacks, and the other behind the smokestack toward the stern. The missiles with which the newly developed warship is to be equipped will be much smaller in size, and the positioning of the launchpads of the missiles will certainly be revolutionary.

Nothing much has been revealed regarding data on this new-type missile. Some people say it is catalogued as SY-2, but in the 1986 Asia Aviation Exhibition, it is catalogued as C-801. Most military specialists believe that the performance of this missile is somewhere between those of France's MM38 and the U.S. Harpoon. A Chinese official at the exhibition claimed that the C-801 is capable of multiple uses. It is suitable for launch from planes, from the coast, from ships, and even from submarines. It is propelled by solid fuel and equipped with a single-pulse radar scanning apparatus inside the missile, as well as an armor-piercing warhead. It is capable of flying at between 20 and 30 meters above the surface of the sea.

Perhaps we can get some idea of other data concerning this missile by comparing it with similar missiles, and France's MM38 may serve as a very good mirror. France's MM38 is 5.21 meters in length, with a diameter of 350 mm; its projecting weight is about 735 kg, with an approximate range of 42 km.

Reportedly, the first of a series of the newly developed Chinese warships will be built in the near future, and the building of the first few are being undertaken by the "national shipyard" in Wuhan.

LIU ZAIFU ASSESSES PRESENT LITERARY SITUATION IN PRC

HK041213 Hong Kong MING PAO in Chinese 4 Jun 86 p 5

[Special dispatch from Beijing by Keng Chun: "Liu Zaifu on the Present Situation"]

[Text] How does Liu Zaifu, director of the Institute of Literature of the Chinese Academy of Social Sciences, assess the present literary situation in China? This question interests me.

Liu Zaifu's reply is both humorous and wise. He says that Jiang Zilong, a writer, once used the expression "puzzling" to describe the situation of the literature and art circles not long ago. Recently, however, rapid changes have taken place. The speeches made by Zhu Houze, director of the CPC Propaganda Department, on several occasions have evoked favorable repercussions in intellectual circles, and people are all very pleased with this.

Liu Zaifu contends that China's cultural policies are liberal and that the leaders have emancipated their minds. Having made preparations for 10 years, Chinese literature in the new era has produced a naumber of talented middle-aged and young writers, who have intuitive knowledge, are close to the people, and speak for the people. The cultural revolution has provided Chinese writers with very extensive historical contents and source materials, the writers have accumulated very deep feelings after experiencing a turbulent life, new explorations have been made in literature and art theories, and the era has provided the prevailing conditions. Therefore, it is now time for the creation of epic works in China.

Regarding literature and art criticism, Liu Zaifu maintains that over the last 2 years, a new phenomenon has arisen, and a modern cultural atmosphere has been created. New literary disciplines like literature and art psychology, literature and art semiotics, literature and art evaluation, and so on, have emerged; and a number of middle-aged and young literature and art critics with modern cultural characteristics have come forth. They dare to blaze new trails and pioneer new things, are creative, original, energetic and do not have blind faith in the authorities. This is where the hope of the prosperity and flowering of Chinese culture lies.

He said, however, that we should also see the conflicts between different cultural concepts as sharp and protracted. Caught by the contradictions between different systems of value, people always feel hesitant and uncomfortable. Such disturbances are inevitable and we all must be well prepared mentally.

Toward the end of the 3-hour-long talk, Liu Zaifu briefed me on his writing. He plans to publish two books this year: first, "On Character Composition" to be published by the Shanghai Literature and Art Press; and second, "A Review on Literature" to be published by the People's Literature and Art Press.

Recently, he has written quite a lot of prose poems. In "A Dream of Death," he dreams that he is dying, and when the god of death in white clothes brings him the death notice, he is very happy, believing that he can now bid farewell to worry. Nevertheless, in the end, he stills feel very reluctant to leave this world, as it occurs to him that the motherland under reform is very lovely. Another prose poem of his named "A Talk With History" will be carried in the current issue of TIANJIN LITERATURE. At present, he still likes writing some illusionary poems, because he can more strongly express his feelings with these poems.

Liu Zaifu took out a copy of his selected prose poems named "A Spotlessly White Rush" which was recently published by Hong Kong Cosmos Books Ltd and which carries an inscription on its cover by Qian Zhongshu, a contemporary famous cultural figure in China, and gave it to me as a gift.

As I had been very familiar with Liu Zaifu's works before, after the talks with him recently, I acquired an even better understanding of him. When I walked out of his apartment and was strolling along a boulevard, I could not help quietly reciting his prose poem "The Death of Wang Guowei" which I like best: "If the living people are not strangled by the dead, the progressive are not burdened by the conservatives, the spring sprouts are not conquered by the snow in the last days of winter, how much more sweet a fragrance of life could the living, progressives and sprouts spread?"

'FREE STYLE' IN LITERATURE, ART DEVELOPING IN PRC

HK040918 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1125 GMT 3 Jun 86

[Commentary by Shao Ling: "View the Literary World on the Mainland From Writers' Visits to Hong Kong" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 3 Jun (ZHONGGUO TONGXUN SHE) -- Over the last few years, mainland writers have made frequent visits abroad. In the last 6 months alone, the writers who made special trips or stop-over visits to Hong Kong included Deng Youmei, Zhang Jie, Li Cunbao, Ke Yunlu, Liu Xinwu, Kong Jiesheng, and Dai Houying as well as poets Cai Qiqiao and Shu Ting. Although there was an episode of Yu Luojin's defection in West Germany during this period of time, the Chinese authorities are not inclined to tighten control over the approval for writers to take trips abroad. This indicates that China is pursuing a policy of opening up to the outside world, a wise policy that has enjoyed popular support.

Writers are praised as "the engineers of the human soul." With a sharp feeling, they observe and study society in a penetrating and meticulous way. Their visits to foreign countries will not only promote cultural exchanges between China and the countries concerned but more significantly, they will also help the writers gain a wider field of vision and enrich their knowledge extensively. As the age-old Chinese maxim goes: "By reading more than ten thousand books, one can travel far and wide." Through exchanging views and holding discussions with their foreign counterparts, the Chinese writers can learn and absorb new and good things in the field of literature and art. It is believed that this will bring benefit to their future creative work.

The good results of the opening-up policy toward literature and art firmly pursued by China have been reflected in the writers. The results are manifested in many aspects. One of the most outstanding manifestations is the attitude toward literature and art criticism. In the past, when criticism was mentioned, everybody would feel that they were in danger of becoming a target of attack.

But now things have changed and they no longer feel so terrified. For instance, when writer and critic Liu Zaifu's article "On Literary Themes" was published in WENXUE PINGLUN (LITERARY REVIEW), it was immediately criticized by Chen Yong, an old-timer literary critic and moreover, his critical article was published in China's authoritative theoretical magazine, HONGQI. Although Chen Yong's critical article laid particular emphasis on politics and ideology, Liu Zaifu's official position was not affected by the criticism against him. On the contrary, some people are bold enough to air their views that differ from Chen Yong's.

At a forum on literature and art work held recently by the magainze HONGGQI, some forum participants held that Chen Yong's attitude in making criticism is open to question as a whole. By comparison, Liu Zaifu's views are creative though somewhat one-sided. Another case showing the good results of the opening-up policy in literature and art work is that after Zhang Xianliang's novelette "Half of a Man is a Woman" was published, it became popular throughout the nation. However, it was also sternly criticized by some individuals. Despite criticism, his work is still put on sale and articles in defense of Zhang's novelette are published as before.

Naturally, everybody should be allowed to air their own views on academic issues. However, for quite some time, the mainland literary community has failed to do so. The aforesaid two new instances indicate that a free style in literary creation and literature and art criticism on the Chinese mainland is taking shape. In fact, from the public statements and private talks of the writers who visited Hong Kong, we can see that, instead of evading some quite sensitive problems as they did before, they answered the problems in a reasonable and very practical way. As far as people in Hong Kong and abroad are concerned, although their statements may not necessarily be perfect, their courage to state their views frankly at least indicates the extent to which the opening-up policy is carried out in the mainland literary world and the mental outlook of the mainland writers.

It has been reported that, while having a heart-to-heart talk with intellectuals in Shanghai, a few days ago, CPC leader Hu Qili once again stressed that it was necessary to uphold freedom of creation and to let writers and artists depict life in accordance with the laws governing art. He also indicated that there was one point that we should emphasize and strive for: We should not launch any mass movements, wield big sticks, put political labels on people, and persecute others. Problems in literature and art creation will not be handled using administrative orders and means. After a work is published, there are likely to be criticisms. However, they are normal comments which are conducive to raising standards of literature and art works and to enlivening ideas guiding literature and art creation. There will be no big sticks, and still less knives in this regard.

People all agree that there now is a lively atmosphere in the mainland literary community. Apparently, this assertion is not unfounded.

YOUTH ACADEMIC FORUM URGES POLITICAL STRUCTURE REFORMS

HK050649 Hong Kong MING PAO in Chinese 4 Jun 86 p 5

["Special dispatch" from Beijing: "Youths of Academic Circles in Beijing Hold That It Is Necessary To Reform the Political Structure"]

[Text] The tide of the economic structure reforms in China is pounding at the political structure which obstructs the transition from the old economic structure to a new one. This is a serious challenge faced by the CPC.

A youth academic forum entitled "The Reform and Development of China's Political Structure," recently held in Beijing, believed that it is necessary to take the initiative in carrying out reform in the political structure. Things will not work if we just passively avoid the complicated and sensitive question of the political structure reforms and let it take its own course, because that way, China will not be able to fundamentally liberate its productive forces and make full use of economic structure reforms to create a good situation and more forward in social progress.

The forum mainly discussed the checks and balances among political organizations; the characteristics of the different stages of the development of political structure, how to coordinate the relations between the state law and the policies of the CPC, how to increase the efficiency of the work of legislative, judicial, and executive bodies, how to push forward with sustained economic and political development by changing people's concepts; and a series of other questions.

During the discussions, some new views and constructive suggestions aroused the general interest of the participants and were discussed in detail by them.

-- The present study of political theories should not only concentrate on traditional areas but should also be closely combined with the actual needs of the present economic structure reforms and the actual needs of social life and should concentrate on analysis and exploration in such areas as project engineering, technology, operational measures, and the policymaking process.

-- To fully guarantee socialist democracy is one of the main goals of the political structure reform. As a developing country with a less advanced economy, to guarantee the country's capacity to control and use resources and improve the standard of control and use of resources is the only way for China to narrow the economic gap with the advanced countries in a relatively short period of time. When studying the political structure reform, great attention must be given to this basic reality.

-- "Democracy" and "centralism" are not in sharp contradiction. the opposite of "democracy" is "dictatorship." The opposite of "centralism" is "decentralization." To use democracy to oppose unscientific dictatorship can effectively prevent decentralization so as to concentrate efforts on major construction and developments. This is also the goal of the political structure reform.

-- The present lateral ties among enterprises can become a bridge linking the political structure reforms with the economic structure reforms. The conditions for equal competition, the environment for fair competition, effective legislative and judical capacity, and the scope of the new responsibilities of power, all of which are required for pushing forward with the lateral ties among enterprises, will only be realized when the relevant political structure reforms have been carried out.

-- All the participants believe that the question of political structure is highly sensitive, but it can be studied and discussed on the basis of scientific proof. The present study of political science not only lags behind the needs of actual life, but also lags behind the development of economics and other subjects. Under such circumstances, strengthening the study of political theory and personnel training is of great significance not only at present but also for the future.

The forum was held jointly by the magazine ZHONGGUO SHEHUI KEXUE [CHINA SOCIAL SCIENCE], the youth forum on social sciences under the Chinese Academy of Social Sciences, and the editorial department of ZHENGZHIXUE YANJIU [POLITICAL SCIENCE RESEARCH]

SHEKOU LOWERS SERVICE CHARGES ON FOREIGN FIRMS

HK040436 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 86 Business Post p 5

[By Paul Sham]

[Text] Shekou Industrial Zone has lowered the 50 or so service charges levied on foreign-related firms by an average of 40 per cent in an attempt to revive foreign investors' interest in the zone, according to the SHENZHEN SPECIAL ZONE DAILY. The charges affect, among other things, international and domestic long-distance telephone calls, apartment management fees, rents, and rubbish collection. The biggest cut is in the fee for transferring a telephone line -- down from $100 to just $5.

Shekou's administrative commission decided on the reductions in April because the fees were discouraging foreign investment, the newspaper said. Wang Jinggui, a vice-chairman of the commission, said in Hong Kong recently that overseas investment in the zone was done in the first quarter of the year. Fewer than 10 contracts had been signed between January and March, in contrast to the 20 agreements struck in the first three months last year, he said.

The 10 sq km zone, to the west of Shenzhen, is being developed by state-owned China Merchants Steam Navigation Co, a commercial arm of the Ministry of Communications.

China-trade observers in Hong Kong said the new charges would remove some of the pitfalls -- in the form of hidden operating costs -- which await foreign investors. Customs clearance fees, for example, range from 0.3 to one per cent of the value of transactions, and the cost of general services offered by local contractors can be as high as one per cent of foreign firms' turnover.

The sources said cost overruns were common among enterprises in China. Operating costs had now become a more critical issue for businesses than the need to balance foreign exchange income and expenditure and the inconsistencies of the tax laws.

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UN SEMINAR ADOPTS STUDY ON CHINA'S DEVELOPMENT

OW052154 Beijing XINHUA in English 1535 GMT 5 Jun 86

[Text] Shenzhen, June 5 (XINHUA) -- China's development in recent years has provided experience for other developing countries in seeking common prosperity, says a 23-page study adopted at a seminar on developing countries which ended here today. The study, which appraises the effects of China's economic reforms and the policy of opening to the rest of the world, says China has successfully used foreign investment to stimulate its own economic development. It describes the family planning policy as one of the major contributing factors for the rapid improvement of the Chinese people's living standards in recent years.

The study notes China's impressive attempt to bring the development of both urban and rural areas into harmony. It draws particular attention to the fact that the Shenzhen Special Economic Zone, different from the pure "export processing zones" in many other developing countries, is a comprehensive special economic zone with industry as the main sector and has extensive ties with other parts of the country. This shows that Chinese decision makers have paid full attention to the weakness of pure export processing zones, it says.

It concludes that further improvement in the international economic environment is needed if China is to quadruple its 1980 national income by the end of this century. China must continue to carry out economic reforms and avoid overheated growth that may put economic and social development out of balance.

Officials from ten Asian developing countries participated in the seminar sponsored by China and the United Nations Economic and Social Commission for Asia and the Pacific. The seminar opened in Beijing on May 25 and participants visited Changhzhou, Wuxi and Suzhou and Jiangsu Province, which are noted for the fast development of rural industry, before coming to Shenzhen.

OUTER SPACE REMOTE SENSING DRAFT SUPPORTED AT UN

OW050148 Beijing XINHUA in English 0130 GMT 5 Jun 86

[Text] United Nations, June 4 (XINHUA) -- The 29th session of the United Nations Committee on the Peaceful Uses of Outer Space got support for its draft principles on remote sensing from the Chinese delegate today. Wang Houli, head of the Chinese delegation to the session, said in his remarks at the general debate that although the draft principles submitted by the legal sub-committee were not fully satisfactory to all, they represented a compromise that had taken due account of the interests of various parties and states. "It has established the general legal principles on the remote sensing activities in outer space, thus contributing to the promotion of the development of remote sensing activities in outer space," he said. "Once adopted, it (the draft) will be an important achievement of the outer space committee for many years," he said.

The Chinese representative told the session that China's CZ series of launch vehicles have already become "operational" and that China has successfully launched two telecommunication satellites with CZ rockets. China has signed two memorandums with Swedish and American companies to launch one telecommunications satellite for Sweden and two others for the United States.

"China is willing to make a contribution within its possible means to the promotion of international cooperation and exploitation and utilization of outer space," Wang stressed.

Wang said that China, as a developing country with certain space capability, has paid much attention to the applications of space technology, particularly in the field of satellite TV education. "We welcome the cooperation of the United Nations to offer a project of using TV satellites to promote Chinese universal education," he told delegates to the session. The session is scheduled to conclude on June 13.

WORLD FOOD PROGRAM TO AID DEVELOPMENT PROJECTS

OW051140 Beijing XINHUA in English 1014 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- The World Food Program (WFP) will contribute 20,905,000 U.S. dollars to two development projects in China, according to WFP's office here today. The first project is to establish forests in Pingshan County, Hebei Province, over a five-year period. The WFP will contribute 12,150,000 U.S. dollars for food and external transportation costs, while the Chinese Government will supply 4,235,000 U.S. dollars. The project will plant 24,000 hectares of trees, shrubs and grasses in the northern, southern and central parts of Pingshan County to protect the county's environment and develop its timber, food and animal husbandry industries.

The second project aims at transforming the low-lying marginal lands around Poyang Lake in Jiangxi Province into highly productive fish farms in three years. The WFP will contribute 8,755,000 U.S. dollars for food aid and external transport to the aquaculture project, while the government of China will contribute 8,080,000 U.S. dollars. With these two projects, the level of WFP assistance provided to China amounts to a total of 399.4 million U.S. dollars, for 35 development projects and two emergency operations.

NEW ZEALAND LEADER IN FRG REJECTS NUCLEAR ARMS

OW030606 Beijing XINHUA in English 0536 GMT 3 Jun 86

[Text] Bonn, June 2 (XINHUA) -- Visiting New Zealand Prime Minister David Lange today underlined his country's determination to reject involvement in any defence strategy involving nuclear arms. After talks with Federal Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher earlier today, Lange told reporters that New Zealand hopes to work out a new method of banning nuclear tests with the support of other oceanian nations. "I am sick of repeating statements against nuclear tests", he added. The prime minister showed his understanding of the worries of his hosts about a Federal German nuclear-free zone, saying that it is "only a six-hour tank drive from the federal chancellor's office to the border."

Turning to U.S.-New Zealand relations, Lange stressed that his government's opposition to nuclear weapons has not diminished the extraordinary amount of goodwill between his country and the United States. However, since New Zealand refused to allow visits by U.S. ships carrying nuclear arms there has been reduction of defense and intelligence ties between the two countries, Lange said. "New Zealand wishes to continue the conventional ANZUS defense alliance with Australia and the United States" because "this was never a nuclear alliance", he added.

During his talks with Lange, Chancellor Kohl expressed satisfaction with the good relations between the two countries and promised to help bring back New Zealand to the farm market of the European Community. Lange arrived in Bonn today for a one-day visit. Before his departure for Stockholm, he also met President Richard Weizacker and Minister President of North Rhine-Westphalia Johannes Rau.

ZHAO ZIYANG MEETS U.S. ECONOMIC DELEGATION

OW051456 Beijing XINHUA in English 1447 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- Chinese Premier Zhao Ziyang today urged foreign businessmen to invest and do business in China without worries. This is because that the political situation in China is stable and the Chinese leaders mean what they say, Zhao told a U.S. economic and legal delegation headed by Robert Strauss, former U.S. special trade representative and former chairman of the Democratic Party.

He stressed that China takes an active attitude towards the development of Sino-U.S. economic cooperation. Some foreign investors may feel inconvenient because of the imperfect aspects of China's legal system and low efficiency of some departments. But, he said, the situation is improving and problems will be surely resolved sooner or later. China honors contracts, China's long-term policy of opening to the outside world necessitates that foreign investors' interests and rights must be protected, he said.

Strauss said he believed the political stability in China will continue for a long time to come.

Zhao expressed the hope that both sides would approach the bilateral economic cooperation from a long-term point of view. The growth of relations between the world's largest developed country and the largest developing country will have an impact on the course of world situation. The two countries can only be partners rather than competitors in developing their economic and technological cooperation.

Both China and the United States recognize the broad prospects for such cooperation and each desires the other to improve certain aspects, he went on. The possibility of extensive cooperation will be translated into reality provided the two sides explore ways to overcome the obstacles and difficulties involved.

Strauss and his 70-member group will leave here for Shanghai tomorrow to continue their discussions with their Chinese counterparts after they attended a 4-day seminar in Beijing which closed today.

WEINBERGER SAYS USSR PROPOSAL 'TERRIBLY WRONG'

OW051831 Beijing XINHUA in English 1818 GMT 5 Jun 86

[Text] Washington, June 5 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger last night dismissed a new Soviet proposal on reducing nuclear weapons as "terribly wrong" and against national interests of the United States. Last Thursday in Geneva, the Soviet Union proposed to reduce strategic nuclear forces if the United States agrees to abide by the 1972 Anti-Ballistic Missile (ABM) Treaty for the next 15 to 20 years and to hold talks on strengthening it.

Offering the first official comment on the proposal, Weinberger said in an interview on th CBS-TV "Nightwatch" program that the Soviet Union wants to open a "side door" to killing President Ronald Reagan's Strategic Defense Initiative (SDI), popularly known as "star wars."

The Soviet Union has maintained that the SDI program violates the ABM Treaty, which prohibits development, testing and deployment of any space-based defense systems. But the United States argues that SDI is compatible with the treaty and made it clear it will continue its research.

In the CBS interview, Weinberger said that if the United States agreed not to abrogate the ABM Treaty for 15 to 20 years, Congress would refuse even to fund SDI research. In that case, he said, the SDI program would lose "a great deal of momentum" and "the possibility of ever deploying a strategic defense."

On Sunday Weinberger declared he would "certainly oppose anything that blocked or in any way prevented our developing a strategic defense." The ABM Treaty, signed by former U.S. President Richard Nixon and the late Soviet leader Leonid Brezhnev in 1972, has no time limitation. But it calls for a review of its terms every five years. The next review is scheduled for 1987. The treaty has a clause that permits either nation to nullify it by giving six months notice.

U.S. SECRETARY OF STATE EXPLAINS SALT DECISION

OW051038 Beijing XINHUA in English 0716 GMT 5 Jun 86

[Text] Washington, June 4 (XINHUA) -- U.S. Secretary of State George Shultz today said that the United States would exceed the numerical limits of the SALT II Treaty only "a little bit" toward the end of the year, but still wants an agreement with Moscow to sharply reduce their nuclear arsenals. Speaking to the members of the Atlantic Institute and Atlantic Council for International Affairs at the State Department, Shultz said the SALT II Treaty is "increasingly obsolete" because it was a treaty about "increases," rather than decreases, of nuclear weapons, thus "encouraging the wrong pattern" in arms control process.

President Ronald Reagan announced a week ago that because of repeated violation by the Soviet Union of the unratified SALT II Treaty, the United States would no longer be bound by the treaty by the end of the year unless the Soviet Union stops violating it. What the United States wants is "mutual restraint" between the two superpowers which would get the numbers of each nation's nuclear systems down, but "not limit their increase," he said. "The key here is to negotiate out the radical reductions in strategic nuclear systems that the President has been calling for and that he and General Secretary Gorbachev agreed should be done in Geneva," he stressed.

Meanwhile, Kenneth Adelman, director of the U.S. Arms Control and Disarmament Agency, told reporters that Reagan's decision on SALT II is to send the Soviet Union a message that "cheating is not going to be tolerated." Adelman, in a news briefing here today, suggested that there is still room to change the current situation if the Soviet Union takes "constructive steps" on arms control during the next few months.

The United States wants the Soviet Union to do "three things": join the mutual restraint, start complying with all previous arms control agreements and get serious in the ongoing Geneva negotiations, he declared. He stated that evern without SALT II, the United States will not exceed the number of strategic warheads and strategic missile launchers that the Soviet Union has. "That is to say that we would not go over their numbers, and we would reduce if they reduce," he said. This, he stressed, is a "critical" point in Reagan's statement, which "not many people have picked up."

Asked if the Reagan administration is going to change its stand on the Anti-Ballistic Missile Treaty (ABM), he replied, "The United States will continue to comply with the ABM Treaty" but he quickly added, "SDI (Strategic Defense Initiative) research is within full compliance of the treaty."

REAGAN SALT DECISION UNDER FIRE ON CAPITOL HILL

OW050936 Beijing XINHUA in English 0727 GMT 5 Jun 86

[Text] Washington, June 4 (XINHUA) -- President Ronald Reagan's decision to abandon the Strategic Arms Limitation Treaty (SALT II) later this year has been under increasingly strong fire in Capitol Hill. Urging the President to continue compliance with the SALT II accord, many congressmen warned that the abandonment of the treaty would poison the arms control environment, heat up the arms race and give the Soviets opportunities to substantially increase their nuclear arsenal.

The House Democratic leaders, in a move to press Reagan to stick to the SALT II, are trying to attach ammendments to the Defense Department authorization bill to prohibit the use of funds for nuclear weapons. Representative Norman Dicks introduced a legislation yesterday to hold funding for weapons development and maintenance within the SALT II limits. Senator Dale Bumpers predicted that the Senate would make "a major effort" to force the Reagan administration to change its plan before the end of the year.

The administration officials, however, tried hard to brush aside criticism of U.S. abandonment of SALT II, stressing that the President may decide to dismantle other Poseidon submarines after cruise missiles are deployed on B-52 so that the United States could remain within the limits of the SALT II.

White House spokesman Edward Djerejian said yesterday that there remained "a possibility" that the United States could adhere to the SALT II ceiling of 1,200 strategic missile launchers.

Edward Rowny, Reagan's chief arms control adviser, today told the house armed services committee that "the President has said that unless the strategic situation should drastically change, we will not build more strategic delivery vehicles than the Soviets, nor we have more warheads than the Soviets."

AMBASSADOR LORD'S SPEECH ON SINO-U.S. RELATIONS

HK060355 Beijing RENMIN RIBAO in Chinese 5 Jun 86 p 6

[Report: "U.S. Ambassador to China Lord Speaks on Sino-U.S. Relations"]

[Text] On 28 May, Winston Lord, U.S. ambassador to China, gave a long speech on Sino-U.S. relations in Washington to the National Committee for Sino-U.S. Trade. He emphasized that Sino-U.S. relations are of great importance for the two countries and for the whole world's hopes for peace and prosperity.

In his speech about bilateral relations between the United States and China, Lord first talked about China's present situation. He said: Since China shook off the destructive effects of the "Cultural Revolution," the whole nation has concentrated on the cause of realizing modernization. The Chinese have opened their country to the world, and have launched a huge wave of reform. He pointed out that the new policy China is pursuing is one of the boldest domestic initiatives in modern history and it is not at all surprising if some serious problems appear. The Chinese people are trying to consolidate their reforms. He said: The United States has also made marked progress in meeting the need of China's modernization, and the volume of bilateral trade has exceeded $8 billion.

American enterprises have made some $1.4 billion of investments in China. The two countries have signed 27 agreements on bilateral technological exchanges. Lord said: In the present international environment, China has many potential foreign partners. If China can maintain her political stability, she will certainly become more powerful, no matter whether she can get assistance from the United States or not. So helping China advance her modernization and helping China establish relations with the world are in the United States' own interests.

Ambassador Lord then talked about the development of Sino-U.S. economic relations, and said that this manifold process is encouraging and exciting, because it has gone far beyond people's expectations of a few years ago. However, painstaking efforts are still needed in the future, and some knotty problems have yet to be solved and prevented from affecting overall relations between the two countries. He pointed out that when trying to settle these problems, the American side must oppose protectionism. He said: Entering foreign markets and obtaining foreign technology are of great importance for China's development and reform. The U.S. Government, congressional leaders, and American enterprises must guide public opinion to realize that if China could not sell her goods to the United States, she would not be able to buy goods from the United States. He also said: The United States should pay constant attention to the implementation of technological transfers so as to ensure the fulfillment of all her promises. This will promote overall relations between the two countries, and will also promote the exports of the United States. At the same time, American enterprises should make careful preparations when they try to do business with China. Lord said: The Chinese side will have to do a lot of things. The Chinese are always trying to attract more foreign enterprises, but they still lack experience and do not understand the needs of foreigners and the differences between foreign regulations and their own. He said: China should give priority to a number of questions when she is trying to improve the commercial environment. For example, she should restrain some Chinese officials from attempting to charge high compensation from foreigners for their housing and the services they need in China, and should formulate clearer economic laws and regulations to stipulate such things. China should also diversify her exports to the United States. At present, China's exports are limited to a small number of goods, and some, such as textile goods, are faced with the pressure of protectionism.

When talking about the international effects of Sino-U.S. relations, Lord said that in developing her relations with China, the United States is seeking the benefits brought about by this relationship and is not trying to play any triangle games. Many favorable factors exist between the United States and China and they will enable the two countries to remain friendly, although they will not enter into an alliance. The two countries have identical viewpoints on many concrete issues. Of course, both sides need to make further efforts to add substantial content to our dialogue on international issues so as to eliminate musunderstanding, reduce tension, and expand cooperation.

RENMIN RIBAO VIEWS U.S. 'TRADE PROTECTIONISM'

HK041108 Beijing RENMIN RIBAO in Chinese 4 Jun 86 p 3

["Newsletter From America" by reporter Jing Xianfa "'Hasty Moves' Under Pressure of Trade Protectionsim"]

[Text] The U.S. Government recently took two moves concerning foreign trade: One is the breakup of the usual practice of "free trade" by imposing a 35 percent tarrif rate on the import of red pine timber from Canada, its largest trade partner; the other was the sending of a trade representative to Japan, requiring Japan to supervise prices of Japanese chips dumped into the U.S. market, as well as to double U.S. sales volume in the Japanese market within the next 5 years.

THE WASHINGTON POST comments that these hasty moves were taken under pressure of the trade protectionism of the U.S. Congress.

Toward the end of May, the U.S. House of Representatives adopted a proposal on new trade protectionism by 195 votes to 115 requiring the U.S. Government to investigate and adopt corresponding retaliatory measures against U.S. trade partners violating U.S. trade regulations within a stipulated deadline, and to conduct talks with U.S. major trade partners, requiring such countries and regions as Japan and the FRG to reduce U.S. deficits by at least 10 percent annually; otherwise, the United States will implement a quota system to restrict the import of their products or set up a tariff wall. This House proposal won almost full support of the Democrats; nearly one-third of the Republicans cast their votes in support. This phenomenon demonstrates the swollen sentiments on trade protectionism in the U.S. Congress and business circles.

U.S. trade deficits have in recent years become the talk of the town. The U.S. trade deficit hit a record high of $148.5 billion in 1985, and the trade deficit in the 1st quarter of 1986 was already $15.3 billion, up by 38 percent from the same period in 1985. President Reagan has all along advocated a solution by dollar devaluation and stimulating the domestic economy, while opposing the trade protectionism proposed by the Democrats in Congress, which is now adopted. One of the causes is the worry that Congress' trade protectionist measures will intensify the "trade war" between the United States and Western Europe, resulting in a greater blow to U.S. export trade. Concerning the trade protectionism proposal adopted by the House of Representatives, President Reagan recently remarked that it will "end in common ruin" with U.S. trade partners and, if implemented, 5.5 million U.S. employers relying on the export trade would be threatened. Because the effects of the dollar devaluation will make themselves felt late in the second half of this year, the White House has to appease the protectionism sentiments of the business circles as well as Congress. Since the beginning of this year, the Reagan administration has adopted punitive trade measures concerning some products and trades of individual countries and regions such as Brazil and South Korea; at the same time, pressure has been placed on the EC for restricting U.S. export of farm and sideline produce to Spain and Portugal. The recent measures concerning Canada and Japan are expedient in dealing with congressional trade protectionism sentiments.

As the congressional mid-term election is drawing near, each of the parties in Congress has its own marked political aim on the issue of trade protectionism. The Democrats believe that at a time when the trade deficit remains high and U.S. industry is facing grave competition from foreign enterprises, the banner of trade protectionism may win more seats for themselves in the election, while the Republicans believe that if President Reagan vetoes the Democrats' proposal on trade protectionism, he might lose the favor of the people even if he succeeds, and that in the end, the Republican Party might land in a passive position, which would weaken the Republicans' majority in the Senate. For this, the Republican Paraty is ready to make a "mild" trade protectionsim proposal and press for President Reagan's approval, so that the Republican Party will avoid some risk in the mid-term election.

PRC, USSR AGREE TO CONSULATES ON EACH OTHER'S TERRAIN

HK060539 Hong Kong AFP in English 0523 GMT 6 Jun 86

[Text] Beijing, June 6 (AFP) -- China and the Soviet Union have formally agreed to maintain consulates in each other's country for the first time since their feud erupted in 1960, Chinese officials said Friday.

The Chinese Foreign Ministry said that Moscow would open a consulate in the eastern port city of Shanghai while China operates a mission in the Soviet city of Leningrad. The ministry did not give a date for the agreement, which analysts here said represented a new step towards the normalisation of relations between the rival communist giants.

Diplomatic sources said the accord was the result of talks begun last year, and that the Chinese consulate in Leningrad had already been opened. They said the discussions could also lead to the opening of Soviet consulates in Shenyang and Harbin, two cities in northeastern China.

China and the Soviet Union began moving towards closer relations in 1982 after two decades of strains caused by deep ideological and strategic differences. But progress has been made more on the economic than on the diplomatic front, with bilateral trade jumping from 300 million dollars to 1.9 billion dollars between 1983 and 1985.

The two countries have government-to-government relations, but have yet to restore ties between their communist parties. Beijing says such a move faces three obstacles: the Kremlin's support for the Vietnamese military presence in Cambodia, the Soviet intervention in Afghanistan and Moscow's military buildup along the Chinese border. Analysts say that China has hardened its stance since the end of last year, finding various pretexts for avoiding discussion of the three obstacles.

SOVIET UNION CRITICIZES U.S. NUCLEAR TEST

OW060142 Beijing XINHUA in English 0103 GMT 6 Jun 86

[Text] Moscow, June 5 (XINHUA) -- The official Soviet news agency TASS today accused the United States of "criminal disregard" for world demands for an end to the arms race with its nuclear test in Nevada yesterday. TASS said this was the fifth nuclear test in the United States this year and the 12th since the Soviet Union began a unilateral moratorium on all nuclear testing last August.

The agency also attacked U.S. President Reagan's statements in his letter to the U.S. Congress before the test that said the United States would continue its strategic modernization program and the "star wars" program. The Soviet Union has extended its unilateral moratorium several times since its initial announcement last year. Last month the Soviet Union decided to extend it again until August. But the United States has refused to respond to the Soviet call. TASS said the latest test was pointedly timed to coincide with the world environmental protection day.

NORTHEAST ASIA

PRC, DPRK SIGN SCIENTIFIC COOPERATION ACCORD

OW051246 Beijing XINHUA in English 1148 GMT 5 Jun 86

[Text] Pyongyang, May 5 (XINHUA) -- An agreement was signed here today at the 26th session of the China-Korea Committee for Scientific and Technical Cooperation.

Vice Minister of China's State Scientific and Technological Commission Gue Shuyan and Vice-Chairman of Korea's State Scientific and Technical Commission Kim Ung-ho signed the agreement on behalf of their respective governments.

The meeting also approved the previous session's decision on matters on scientific and technical cooperation in the fields of earthquake and marine sciences as well as a number of bilateral cooperation projects for this year.

Last year, 61 projects were launched between the two countries. The number is expected to increase to 63 this year.

Before the signing ceremony, Vice-Premier and Chairman of the foreign Economic Committee Kim Pok-sin met with China's governmental scientific and technological cooperation delegation.

MPR RESUMES ULAANBAATAR-BEIJING AIR SERVICE

OW050828 Beijing XINHUA in English 0813 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- The direct air service between Ulaanbaatar and Beijing will be resumed tomorrow by the Civil Aviation Administration of the People's Republic of Mongolia after a 19-year suspension.

The agreement for resumption was concluded last year by the civil aviation authorities of China and Mongolia in a bid to meet the needs of growing tourism.

The air service between Beijing and Ulaanbaatar Bator began in 1958 and was suspended in 1967.

An official of the Civil Aviation Administration of China (CAAC) said CAAC will consider the resumption of air service depending on the passenger and cargo traffic situation in the future.

LAUREL SAYS PHILIPPINES TO HOLD NOVEMBER ELECTION

OW052042 Beijing XINHUA in English 1515 GMT 5 Jun 86

[Text] Tokyo, June 5 (XINHUA) -- Philippine Vice President and Foreign Minister Salvador Laurel announced today that Philippines will hold general elections in November, after which the country will "have a new constitution and a regular congress."

At a press conference at the Japan National Press Club this afternoon, Laurel, who is on a three-day Japan visit, said "we are speeding up the transition from a provisional government to a truly constitutional democracy." He said the government of President Corazon Aquino will ensure that the elections are "free, honest and orderly."

Laurel also said his trip to Japan has been "satisfying and fruitful", adding that the Japanese Government has had a positive response to the problems of the debt-ridden Filipino economy. He said that one of the pressing tasks for the 100-day-old Philippine Government is to rescue the country's economy. Laurel said he hopes Japan will provide the Philippines with economic aid because this is of "great significance to the Philippines."

In reply to a question about the personal assets of deposed President Ferdinand Marcos, the vice president said that the Philippine Government is probing the matter, but added it will need time to settle the issue.

He also disclosed that he will visit China from June 15 to 18, during which time he will tell the Chinese about the current Philippine economic and political situation and will ask for aid. Laurel arrived in Tokyo Tuesday and leaves for home tomorrow.

PNG TRADE UNIONISTS PROTEST FRENCH NUCLEAR TESTS

OW041105 Beijing XINHUA in English 1029 GMT 4 Jun 86

[Text] Canberra, June 4 (XINHUA) -- Trade unionists of the South Pacific state of Papua New Guinea (PNG) have decided to ban the loading and unloading of French ships indefinitely to protest against French nuclear testing in the region. According to a report from PNG capital Port Moresby, the decision was made by the national executive committee of the PNG Waterside Workers' and Seamen's Union. It will be implemented to prohibit the unloading of the French cargo ship "Capitaine Dermadec" scheduled to arrive in Port Moresby tomorrow.

In Canberra, Australian Foreign Minister Bill Hayden has issued a statement saying that his government fully shared the strong opposition to French nuclear tests in the region. "South Pacific nations are united in opposing nuclear tests in the region, a sentiment clearly reflected in the South Pacific Nuclear Free Zone Treaty," he noted. The treaty was endorsed by leaders of 13 South Pacific countries in Rarotonga, capital of Cook Islands, in August 1985. The nuclear-free zone covers French Polynesia, where France has said its nuclear testing program will continue.

According to the New Zealand seismological station at Rarotonga, a French nuclear explosion estimated at 20 kilotons took place on May 31, following earlier tests on April 22 and May 7 and 27 this year.

NEW CHINA QUARTERLY LAUNCHED IN HONG KONG

OW041445 Beijing XINHUA in English 1215 GMT 4 Jun 86

[Text] Hong Kong, June 4 (XINHUA) -- A new magazine, "NEW CHINA QUARTERLY", was launched here today. Edited by NEW CHINA QUARTERLY editorial board and China Media Development Inc. and published by New China News Ltd. in Hong Kong, the magazine is devoted mainly to China's latest economic developments and serves as a bridge for people overseas to enter into economic cooperation with China. It also carries factual reports and analysis on China's political, scientific and cultural developments.

In its inaugural special issue, the magazine says it will help readers to get a clear understanding of China. In the special issue, it reviews China's Sixth Five-Year Plan and analyses prospects of the seventh that begins this year. It also gives a profile of Chinese Vice-Premier Tian Jiyun. Other articles include cooperation opportunities in developing China's steel industry and in retooling Chinese existing enterprises. It devotes several articles to developments in north China open city of Tianjin.

SRV'S CAMBODIAN TROOP WITHDRAWAL FOOLS NO ONE

OW050828 Beijing XINHUA in English 0654 GMT 5 Jun 86

["Commentary: Hanoi Fails To Hoodwink World Public Opinion (by Tang Tianri)" -- XINHUA headline]

[Text] Beijing, June 5 (XINHUA) -- Few people have been taken in by the pompous show of "troop withdrawal" staged by the Vietnamese authorities recently. Hanoi has gained little from either the dry-season military offensive or the rainy-season propaganda.

The Vietnamese have been resorting to military attacks and diplomatic offensive alternatively on the Kampuchean problem -- the former in the dry season and the latter in the rainy season. In the current rainy season, they continued to peddle the so-called fifth "partial troop withdrawal" from Kampuchea and reject the "eight-point proposal" raised by the Coalition Government of Democratic Kampuchea.

The Vietnamese party paper "NHAN DAN," however, did not give much publicity to Hanoi's "sincerity" of pullout as it had done in its previous four "troop withdrawals." The Hanoi media now stress their "new idea," claiming that the latest "partial troop withdrawal" signified a "strong" Heng Samrin regime in Phnom Penh. But unfortunately, Heng Samrin himself has rejected the notion by admitting "complex problems" and "various difficulties" arising from the widespread guerrilla warfare waged by the resistance forces in the past two years.

In a bid to turn down the "eight-point proposal" on a political solution of the Kampuchea problem, Vietnamese senior officials have been busy holding secret talks in Moscow and having "emergency consultations" in Hanoi with the chieftain of the Phnom Penh regime and the Laotian head of government. Without any sincerity, they came out with the old proposal of "comnpleting troop withdrawal by 1990."

Even troop withdrawal by 1990 is string attached: Hanoi will "take appropriate measures" in case that "it (withdrawal) is used to sabotage peace and security of Kampuchea." Vietnamese Foreign Minister Nguyen Co Thach has made it clear by saying that "if the Kampuchean (Heng Samrin) troops provide incapable of ensuring security and peace of that country, the Vietnamese troops will continue to stay there."

Vietnamese senior officials have time and again announced that Vietnamese troops will remain in, or return to, Kampuchea after 1990 if the situation so requires. This lays bare Hanoi's real intention to intensify its aggression and occupation of Kampuchea.

It is true that Hanoi's propaganda can deceive some people for some time. But as it is losing in its military offensive, the current propaganda campaign is becoming less vigorous and less effective, for it cannot deceive all the people all the time.

CGDK SAYS SRV SEEKS TO 'COLONIZE' CAMBODIA

OW030602 Beijing XINHUA in English 0544 GMT 3 Jun 86

["Son Sann: Vietnamese Withdrawal a Hoax" -- XINHUA headline]

[Text] Paris, June 2 (XINHUA) -- Son Sann, prime minister of the Coalition Government of Democratic Kampuchea, today dismissed the recent announcement of a partial withdrawal of Vietnamese troops from Kampuchea as "merely a new rotation of troops."

Son Sann, who is currently on a tour of European countries, said while Vietnam withdrew some of its troops with great publicity last week, it added two new divisions quietly in Kampuchea.

He said he will go to Strasbourg to urge the European Parliament to suspend economic aid to Vietnam until it withdraws its troops from Kampuchea.

Son Sann said the peace proposal put forward by his government in March calling for direct talks between all interested parties in Kampuchea has won support from more than 40 countries.

Vietnam has rejected the proposal because it wants to "colonize" Kampuchea, Son Sann said. Since 1979, more than 700,000 Vietnamese, many of whom were given citizenship by the Vietnamese-backed Heng Samrin regime, have settled in Kampuchea, he added.

However, he predicted that Vietnam will be forced to come to the negotiating table sooner or later, because "the military occupation in Kampuchea is more and more expensive and Vietnam's economy is facing catastrophe."

PAKISTAN TO LAUNCH COMMUNICATIONS SATELLITE

OW050816 Beijing XINHUA in English 0711 GMT 5 Jun 86

[Text] Islamabad, June 5 (XINHUA) -- Pakistan is preparing to launch a domestic communication satellite system to facilitate telephone, telex, television and data transmission services nationwide.

Salim Mahmud, chairman of the Pakistan Space and Upper Atmosphere Research Commission, said in Karachi yesterday that his commission had already completed a detailed design feasibility study on such a system. The project is likely to be implemented during Pakistan's Seventh Five-Year Development Plan period scheduled to commence in 1988.

In the meantime, he said, ground work and training of personnel are in progress to ensure that satellite services will be used in an optimum manner. Salim Mahmud said Pakistan's space program is entirely focused on the peaceful application of space technology, especially those which have direct bearing on the masses. The policy will continue to be followed to make the best use of the limited resources, and while doing so maximum attention will be given to the promotion of international cooperation, he said.

AFGHAN REBELS ATTACK SOVIET MILITARY POSTS

OW041101 Beijing XINHUA in English 1021 GMT 4 Jun 86

[Text] Islamabad, June 4 (XINHUA) -- The Afghan Mujahideen (freedom fighers) have recently destroyed two Soviet military posts in the Afghan province of Lowgar, south of Kabul, Mujahideen sources said here today. According to the sources, 20 Soviet-Afghan troops were killed in the attacks on the two posts in Deh Mughulan and Mir Abdal areas on May 28. The AGENCY AFGHAN PRESS [AAP] reported today that the Soviet troops in Afghanistan, trying to take advantage of the month of Ramadan, had stepped up military activities around the Zazi cantonment in the eastern Afghan Province of Paktia.

On May 27, AAP said, the Soviet troops attacked the Al-Fateh front of the Mujahideen, where the freedom fighters put up stiff resistance and finally repulsed the Soviet attack. The next day, the Mujahideen launched a counter-attack in Sikandar Khel area and destroyed a security post in which about 50 Soviet troops were deployed. The casualties of the Soviet troops have yet to be confirmed, AAP said.

In Qandahar Province of southern Afghanistan, the Mujahideen launched an attack with surface-to-surface missiles on the Qandahar cantonment on the night of May 24. In the same province, AAP said, the Mujahideen also attacked with rocket fire a security post in the provincial capital city of Qandahar on May 22, killing eight Afghan troops.

According to AAP, the Mujahideen, using surface-to-air missiles, shot down a Soviet transport helicopter loaded with arms and ammunition near Sheigal Town, south of Qandahar City, on May 23.

NPC DELEGATION CONTINUES VISIT TO NORWAY

Meets Parliamentarians

OW050048 Beijing XINHUA in English 0022 GMT 5 Jun 86

[Text] Oslo, June 4 (XINHUA) -- President of the Norwegian Storting (parliament) Jo Benkow said today that his country welcomes China's policy of opening to the outside world and earnestly hopes to expands trade relations with China.

Meeting a delegation of the Chinese National People's Congress (NPC) headed by NPC Vice Chairman Rong Yiren, Benkow said that scientific and technological cooperation between Norway and China will benefit both countries. In his reply, Rong said that China can learn advanced technology and good experience from Norway, and that the potential for Sino-Norwegian cooperation is "tremendous."

The Chinese NPC delegation also held talks with leaders of the Storting and representatives of its six political parties today. Reiulf Steen, vice president of the Storting, and Rong briefed each other on the organization and work of their institutions. Rong specifically explained the Seventh Five-Year Plan of China and the law for foreign investment in the country. Steen said that all the political parties of the Storting hold "identical views" in regard to boosting Norwegian-Chinese ties.

On China's nuclear energy and safety, Ye Lin, deputy head of the Chinese delegation and a member of the NPC Standing Committee, said that nuclear energy is an important part of China's energy resources, and China has set up an organization responsible for safety of the nuclear power plants under construction.

At the request of the Norwegian hosts, the Chinese delegation also explained China's price reform and family planning.

The Chinese delegation was shown around the Norwegian Storting after the talks.

The Chinese NPC delegation arrived here from Denmark this morning for a three-day visit at the invitation of the Norwegian Storting.

Attends Banquet

OW050126 Beijing XINHUA in English 0116 GMT 5 Jun 86

[Text] Oslo, June 4 (XINHUA) -- Norwegian parliament Presient Jo Benkow said here today that relations between Norway and China are time-honored and developing and that economic cooperation has constituted a major factor in the development of bilateral relations.

Speaking at a banquet he held here this evening in honor of a delegation of the Chinese National People's Congress (NPC), Benkow noted that cooperation between Norway and China are expanding in the fields of energy, communication and high technology.

The NPC delegation, headed by its Vice Chairman Rong Yiren, arrived here this morning for a three day visit.

Benkow appreciated China's independent foreign policy of peace and stressed the necessity for cooperation between the legislative bodies of the two countries.

In his reply, Rong spoke highly of the "positive contributions" made by Norway to maintaining world peace and developing international economic cooperation. Sino-Norwegian relations have reached a new level in recent years with a remarkable development of cooperation and exchange in various field, he said. He also expressed thanks to the various political parties within the Norwegian parliament for their positive attitude in pushing forward Sino-Norwegian relations.

Meets Prime Minister

OW052200 Beijing XINHUA in English 1441 GMT 5 Jun 86

[Text] Oslo, June 5 (XINHUA) -- Norwegian Prime Minister Gro Harlem Brundtland met today with the Chinese National People's Congress (NPC) delegation led by Rong Yiren, vice chairman of the NPC Standing Committee.

In a one-hour talk with Rong, Brundtland said that both the Norwegian ruling and opposition parties realize the value of increasing contacts with China. Although the two countries are far apart, Brundtland said, Norway and China could cooperate closely in many fields, such as the energy and petroleum industries. She said that her Norwegian Labor government, which came to power last month, advocates the establishment of a new world economic order.

Rong Yiren told his host that a good basis exists for further developing cooperation between China and Norway, adding that China could learn much from Norway's experiences in economic construction. Rong also met today with Crown Prince Harald and his wife, and with economic and business leaders.

The Chinese NPC delegation arrived yesterday from Denmark for a three-day visit.

FRG'S WILLY BRANDT DISCUSSES RELATIONS WITH PRC

OW041041 Beijing XINHUA in English 0947 GMT 4 Jun 86

[Text] Bonn, June 3 (XINHUA) -- Development of good relations with China is in the national interests of Federal Germany and above partisan politics, Willy Brandt, chairman of the Federal German Social Democratic Party (SDP) said today.

In an interview with a group of Chinese correspondents prior to the Chinese Communist Party (CCP) General Secretary Hu Yaobang's five-day visit to Federal Germany beginning June 12, Brandt said all political parties in Federal Germany hold identical views on developing relations with China. Brandt, who is Hu's co-host with Federal German Chancellor Helmut Kohl, said Hu's visit is important not only to relations between the two countries but will also allow exchange of views between the CCP and the SDP on the international situation.

The SDP chairman said the two countries have good relations and have been developing strong economic ties and scientific and technological exchanges. There is still, however, room for expansion of their bilateral relations, he said.

Brandt said the CCP and SDP have different histories and ideologies but they have very similar views in opposing the threat of war, handling South-North relations and a number of other issues. He said the two parties can learn from each other and further expand their relations. He said China's policy of opening to the outside world is not only beneficial to the Chinese people but also appealing to other countries because it offers opportunities to them to expand their trade and relations with China.

On the issues of world peace and disarmament, Brandt said there seemed to be some progress after the U.S.-Soviet Geneva summit last November. But people now doubt if the so-called "Geneva spirit" had ever existed. The non-aligned and European countries should exert pressure on the super-powers and express their disatisfaction with the current situation, he said.

Brandt said that judging from a historical perspective, Europe will one day unite. At present, both Western and Eastern Europe want to be more independent from the superpowers. In recent years, he said, both sides are equally interesting in promoting mutual cooperation despite their different social systems and the confrontation between the superpowers.

Brandt said he welcomes China's attitude regarding Europe as a single entity and developing cooperation with both West and East Europeans. Brandt said West European countries should adopt identical political actions and security policies as well as develop common economic markets. The North Atlantic Treaty Organization should be re-shaped from its present status of U.S. dominance into a two-pillar alliance in which the United States and Canada represent one pillar and an integrated Western Europe the other, he added.

Brandt said his party, like China, can not accept the Soviet occupation of Afghanistan and has criticized repeatedly Soviet interference in that country.

He also said he recognized that the Kampuchean issue is one of the key issues standing in the way of normalization of Sino-Soviet relations. He said China is correct in attaching great importance to the Kampuchean issue.

On South-North relations, Brandt said the international community should give priority to the settlement of the debt problems and the agricultural development of developing countries. To realize food self-sufficiency, the Third World can learn from China's experience, he added.

He also called on the General Agreement on Tariffs and Trade (GATT) to oppose the protectionism of the industrialized countries, improve the trade terms for the developing countries and increase access for their products in the world market. Brandt said he is pessimistic about the world economic situation and he predicted that the world economy will enter into a new recession beginning the later half of next year. He complained that the industrialized nations' summit in May had failed to take adequate measures to address the unemployment problem and the debt crisis, which he said could lead to a bank crisis.

THATCHER URGES OBSERVANCE OF SALT II ACCORD

OW040636 Beijing XINHUA in English 0554 GMT 4 Jun 86

[Text] London, June 3 (XINHUA) -- British Prime Minister Margaret Thatcher today called on both the United States and the Soviet Union to observe the SALT II agreement.

"I hope SALT II will continue to be observed...if there is an agreement it has to be observed on both sides," the prime minister told the House of Commons. But she also expressed full support for U.S. President Ronald Rreagan's remarks to abrogate the SALT II nuclear weapons agreement in November unless the Soviet Union ended its alleged breaches of the treaty.

The prime minister told the House of Commons during question time that President Reagan had produced details of Soviet failures to comply with the treaty. She said the United States had "left the door open" for the Soviet Union to comply with SALT II. There was a "clear opportunity" for the Soviets to reply positively, she added. The Strategic Arms Limitation Treaty (SALT) was signed by former U.S. President Jimmy Carter and Soviet leader Leonid Brezhnev in 1979 but has never been ratified.

Deputy Labour leader Roy Hattersley urged the prime minister to press President Reagan not to carry out his threat to abrogate the treaty.

Lord Whitelaw, deputy prime minister and leader of the House of Lords who led a British parliamentary group during a 10-day visit to the Soviet Union, stressed on return to London yesterday that if the Soviet side was to abide by the treaty, there would be no reason for Washington to abrogate it by the end of the year. "I hope we (Britain and the Soviet Union) have established a basis for greater understanding and perhaps greater mutual respect," he said.

PRC TO ATTEND SPACE EXHIBIT IN SWITZERLAND

OW031558 Beijing XINHUA in English 0638 GMT 3 Jun 86

[Text] Geneva, June 2 (XINHUA) -- Nearly 315 participants from 18 countries, including China, are expected at an international exhibition on the commercialization of space (Space Commerce 86) to be held in Montreux, Switzerland, from June 16 to 20.

Michel Graber, delegate of economic affairs in Montreux, told a press conference participants will discuss the effects of growing space activities upon the industry and the service sector. He lauded China's entry into the launching of commercial satellites.

China announced last month that it will launch a U.S. telecommunications satellite, expanding its space program on the heels of several setbacks in the Western nations' space efforts.

On February 28, the U.S. spacecraft Challenger exploded in the sky killing all seven astronauts on board. Not long after, a U.S. Titan rocket also exploded several minutes after liftoff, causing millions of dollars in damage and a European Ariane-2 rocket was destroyed after take-off Friday.

Jean-Louis, representative of the European Space Agency, said the situation facing the Western countries after several failures in rocket launching is "serious" but it will not impede future space development.

WU XUEQIAN DEPARTS HUNGARY ENDING TOUR OF EUROPE

OW051802 Beijing XINHUA in English 1744 GMT 5 Jun 86

[Text] Szeged, Hungary, June 5 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said today that China and the nine European nations he has just visited have the desire and potential to expand relations. Before he left Hungary, Wu told XINHUA here that the purpose of his visit to enhance understanding, develop friendship, strengthen cooperation and promote peace had been realized.

Wu, who is also a state councillor, visited Finland, Sweden, Norway, Denmark, Belgium, Luxembourg, Ireland, Democratic Germany and Hungary during his 26-day tour. Wu said China and the nine countries believe in safeguarding peace so that their individual economies can be developed under a stable international environment. He noted that these countries are playing an ever increasing important role in safeguarding world peace.

"We have exchanged views over international problems of common interests and the furtherance of bilateral relations," Wu said of his meetings with officials of the nine countries.

Stops in Yugoslavia, Romania

OW060136 Beijing XINHUA in English 0043 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- Chinese Foreign Minister Wu Xueqian stopped over in Yugoslavia and Romania Thursday on his way home at the end of a nine-nation European tour. During the stopovers, Wu and foreign ministers of the two countries discussed international issues and bilateral relations.

PRC-HUNGARY SCIENTIFIC COOPERATION AGREED

OW060130 Beijing XINHUA in English 0034 GMT 6 Jun 86

[Text] Budapest, June 5 (XINHUA) -- China and Hungary today signed a protocol on direct cooperation between the leading scientific and technological bodies in the two countries. The document envisages an increase in the exchanges of technology and closer cooperation in joint research and design work. The protocol also provides for a regular exchange of information on science and technology.

The accord was signed here today between Song Jian, Chinese state councillor and minister in charge of the state science and technology commission, and his Hungarian counterpart Pal Tetenyi.

Song, who arrived here Sunday at the head of a Chinese science delegation, began talks with Tetenyi on Monday. They discussed the possibility of expanded scientific cooperation between their two countries and agreed to promote a joint exchange of scientific workers. Song also met senior Hungarian officials and it was agreed at the talks that efforts should be made to tap the potential for a further increase of bilateral cooperation in the fields of economy and trade as well as science and technology.

POLISH PARLIAMENTARY DELEGATION BEGINS VISIT

OW050814 Beijing XINHUA in English 0651 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- A Polish parliamentary delegation led by its Marshal Roman Malinowski [title as received] arrived here at noon today on an eight-day goodwill visit to China at the invitation of the Standing Committee of China's National People's Congress (NPC).

Among those greeting the delegation at the airport were Vice-Chairman of the NPC Standing Committee Ye Fei, and diplomatic envoys or diplomats of the member countries of the Council of Mutual Economic Assistance.

The visitors will be honored at a banquet given in their honor by the NPC Standing Committee this evening. It has learned that the delegation will hold working conferences with the NPC Standing Committee and go on a tour of several Chinese cities.

Feted by NPC Official

OW051441 Beijing XINHUA in English 1357 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- Ye Fei, vice-chairman of the National People's Congress Standing Committee, said here tonight that China's NPC desires to work for the constant growth of Sino-Polish friendly relations on the basis of equality and mutual benefit together with the Polish Parliament. He was speaking at a dinner he gave in honor of a Polish parliamentary delegation led by Marshal Roman Malinowski. He described the Polish delegation's visit as a major event in bilateral relations.

Ye praised Polish people for their great achievements in the socialist construction over the past 42 years and for their positive contributions to safeguarding peace in Europe and the rest of the world. China and Poland are both socialist countries. The further development of their friendship on the basis of principles of equality, mutual benefit and respect conforms to the interests of the two peoples. He noted that the two peoples have undertaken fruitful cooperation in many fields. Over the past few years the areas of bilateral cooperation have been expanded and a new situation is emerging in the relations between the two countries.

Malinowski said the contacts between the two parliaments have played a great role in the promotion of the relations between the two countries and traditional friendship between the two peoples. He noted the increasingly important role China is playing in international arena. The long-standing friendship between the two countries and the growing bilateral relations and cooperation in economy, science, technology and trade are in the interests of the two nations.

"We will do our best to promote cooperation between the two parliaments in a bid to develop their countries' socialist construction, strengthen bilateral cooperation and safeguard world peace," he added. The delegation arrived earlier today for an eight-day friendly visit to China at the invitation of the NPC Standing Committee.

PRC CONDEMNS SOUTH AFRICAN RAID ON ANGOLAN PORT

OW061004 Beijing XINHUA in English 0953 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- China today condemned South Africa for its armed raid on the southern Angola oil port of Namibe. In a statement released here today, a spokesman for the Chinese Foreign Ministry said that on the early morning of June 5, the South African authorities dispatched a warship and a squad of divers to outrageously attack the southern Angolan oil port of Namibe, sinking and damaging Angolan merchant vessels, destroying oil depots and causing extensive damage to harbor installations. By this barbarous act, the spokesman said, the South African authorities have flagrantly violated the sovereignty and territorial waters of an independent country, brutally trampled upon the norms governing international relations and committed a fresh crime against the southern African people following their armed invasion of the capitals of Botswano, Zimbabwe and Zambia last month.

"The Chinese Government and people express hereby their utmost indignation and strong condemnation against this," he added. The Chinese Government and people also express their deep sympathy for and solidarity with the Angolan Government and people who have suffered from the aggression of the South African authorities and firmly support the people of Angola and other southern African peoples in their just struggle against racism and for winning national independence, and safeguarding their state sovereignty and territorial integrity, he said.

AFRICAN STUDENTS HOLD PROTEST MARCH IN BEIJING

HK060641 Hong Kong AFP in English 0634 GMT 6 Jun 86

[Text] Beijing, June 6 (AFP) -- About 300 African students held a march here on Friday in protest against "racist aggression" by Chinese students, particularly in the northeast Chinese city of Tianjin, witnesses said. The demonstrators, carrying banners denouncing "all form of racism," marched some 20 kilometres (about 13 miles) from Beijing Languages Institute to the Education Ministry.

CAPE VERDE PRIME MINISTER LEAVES FOR HOME

OW031525 Beijing XINHUA in English 1429 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- Cape Verde's Prime Minister Pedro Pires, and his party left here for home by air tonight at the end of an eight-day official visit to China. Pires told XINHUA before his departure that his visit had further developed bilateral political relations and economic cooperation. The future task is to consolidate the results of the visit and open new ways to further bilateral relations. He said he was leaving here with a beautiful impression of China.

Pires and his party returned here from Changzhou by special plane earlier this evening in the company of Light Industry Minister Yang Bo. Pires and his party visited a bicycle factory and a comb factory in Changzhou today and a tea plantaton and a pottery factory in Yixing County near Changzhou yesterday.

10 SATELLITE LAUNCHES PLANNED IN NEXT 5 YEARS

OW060950 Beijing XINHUA in English 0936 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- China plans to launch ten satellites for use in communications, meteorology and survey of land resources in the next five years. This was revealed here today at a press conference by Sun Jiadong, vice-minister of astronautics.

While actively expanding the space industry to meet the needs of domestic economic development, he said, China is looking for cooperation and technological exchanges with the rest of the world. Since the beginning of space exploration in the 1950s, China has succeeded in turning out a series of rockets known as "Long March-1", "Long March-2" and "Long March-3" and launched 18 scientific experiment satellites of various kinds, of which seven were recoverable.

The vice-minister said that at present, two Chinese satellites are aloft in space. One was launched April 8, 1984 and located at 125 degrees longitude east, the other, a geostationary one for communications, was launched February 1 this year and located 103 degrees longitude east. He said that the carrying capacity of the "Long March-3" rocket amounts to 1.4 tons. As research is now under way, the next one to be developed is expected to be able to carry a satellite weighing 2.5 tons, he added.

STATE COUNCIL CIRCULAR ON BANNING 'TIED SELLING'

OW050345 Beijing XINHUA Domestic Service in Chinese 0004 GMT 4 Jun 86

[Text] Beijing, 4 June (XINHUA) -- The State Council recently issued a "Circular on Earnestly Solving the Problem of the Tied Selling of Goods."

The circular pointed out: The practice of tied selling of goods, in which quality products are sold only on condition that inferior items are bought, continues in many localities. Although such practice can help an enterprise or an individual dispose of poor-quality and unsalable products to obtain temporary economic benefit, it is substantially detrimental to the long-range interests of the state and enterprises, as well as to those of consumers. First, protecting production and sale of shoddy and inferior commodities leads to enormous waste; second, goods which can be disposed of through normal sales channels have been tied-sold as inferior and unsalable products. This practice damages the reputation of these products and their producers, thereby adversely affecting future production and sale; third, the practice of tied selling of inferior goods at high prices also damages the interests of consumers and the reputation of socialist commerce.

The circular urged all localities to adopt effective measures to curb the practice of hurting the interests of the state, enterprises, and the people in exchange for immediate interests.

1. Solve the key problem of production. The main reason for the practice of tied selling of goods is that poorly-managed enterprises, while making no effort to improve their production technology and disregarding market demands, continue to manufacture inferior and shoddy products, and try to dispose of them, by means of tied selling, through commercial channels. The key to curbing this practice is to solve the problem of production.

All localities, industrial administrative departments, and enterprises must abide by the fundamental purpose of socialist production, and strive to increase the output of quality and marketable brand-name products, to meet the people's rising material and cultural needs. The production of unmarketable products must be strictly restricted, while inferior products must be resolutely eliminated. Enterprises during unmarketable products should immediately switch to the production of other products. Enterprises are not permitted to dispose of their inferior and unsalable products to other units or individuals through trough tied selling in any form or under any pretext.

2. Tackle the problem of commerce. Another principal reason why inferior and shoddy products can reach consumers through tied selling is the indiscriminate purchase of goods by commercial departments. Enterprises and commercial departments at all levels should strengthen investigation and study, do a good job in market forecasting, actively support the product of marketable commodities by providing information and by promptly purchasing and selling them, and firmly turn down requests of industrial departments to market their inferior goods through forced tied selling. State, collective, and individual commercial establishments, which have indiscriminately purchased unsalable products in the hope of marketing them through tied selling, are not permitted to dispose of their products to retail stores and consumers through tied selling in any form or under any cover.

3. Quickly draw up concrete plans. Pertinent departments should formulate specific regulations governing arrangements for production to meet market demands, the rational distribution of products in short supply, the proper handling of unmarketable commodities, and punishment for units and individuals continuing to practice tied selling in violation of established regulations.

4. Strengthen inspection and supervision. Competent authorities in charge of industry and commerce at all levels must conduct constant inspection in order to put an end to the practice of tied selling. Industrial and commercial administrative departments, prices bureaus, and other departments concerned should maintain close coordination in carrying out supervision, and promote and accept inspection and supervision by consumers. Once problems are discovered through inspection, they must be dealt with strictly and promptly.

'SPARKING PLAN" TO FIRE DOMESTIC ECONOMY

OW051447 Beijing XINHUA in English 1409 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- Forty-seven Beijing rural industrial businesses have been chosen to pilot a local "sparking plan" aimed at firing the domestic economy.

Under the plan, scientific research institutes and large factories will pass on their modern technology like sparks to create new and much-needed production.

A Beijing official said today that the rural businesses would be technically modernized to enable them to produce such items as technical components for major industries which are in short supply. In this way they would set an example for other rural industries.

The official said municipal authorities would fund research projects for the "sparking plan" with 25 million yuan, and would train management and technical specialists for the rural factories over the next five years.

NONGMIN RIBAO REBUTS PREJUDICES AGAINST COMMERCE

HK050845 Beijing NONGMIN RIBAO in Chinese 27 May 86 p 1

[Commentator's article: "On 'Making Huge Profits in a Dubious Manner'"]

[Text] "Making huge profits in a dubious manner" is now a prevalent phrase in society. "Dubious" refers to households of the individual sector engaged in commercial and service trades. The doggerel indicates certain prejudices.

In the rural areas, it is true that a number of peasants have left the soil in recent years to do businesses in towns and cities. Some have become specialized households engaged in commerce and have made some profits. The majority of the specialized households engaged in commerce have abided by the law and have put in a lot of hard work. They work from dawn to dust, eat and sleep in the open, and rush about from place to place. They also have to gather information and find out about the latest prices and demands. Indeed, they have put in a lot of mental and physical labor. It is not a one-sided view to blame them for the profits they have made without knowing the labor they have put in?

Socialism honors labor, and labor is honorable. Workers, peasants, and intellectuals are all laborers. They acquire a very high position in society. What about businessmen? Businessmen are also laborers, because commercial activities, like labor, can create value. Commodity exchange links production with consumption and produces use value and value of the commodities of industrial and agricultural production, thus promoting social reproduction. As the people engaged in commerce, including individual households, during the socialist period are also laborers, they should be respected by society just like other laborers. It would be unfair to regard them as people of "dubious character" and blame them for no reason at all.

With the passage of time, we are no longer in the era of "a small country with a limited number of people." Commodity exchange has become a phenomenon that exists at all times and in large numbers. Commerce has become an indispensable trade in society. With the transition from a sufficient and semi-sufficient natural economy to a commodity economy in the rural areas, commerce is becoming more and more important. Indeed, there can be "no invigoration without commerce" in the rural areas. In our everyday life, can anyone live without commerce? Complaints about difficulties in purchasing things can now be heard in many localities. The rural areas have difficulties in purchasing farm materials and "fashionable" commodities; cities and towns have difficulties in "having meals," "making clothes," "getting a haircut," and "taking a bath"; and there are also difficulties in selling things. This shows that further enlivening commerce has become a general social demand. It is strange that the ideas of some people contradict social demand, including that of their own. They eat and wear clothes every day, yet they look down upon those who sell food and make clothes. They take baths and have haircuts every month, yet they look down upon people working in bathhouses and barber shops. It is not strange that their ideas contradict their actual needs?

All prejudices have historical reasons. There were people among our ancestors who looked down upon commercial trade. Take Confucius for example; many of his mottoes are still applicable today, yet he looked down upon people doing businesses.

Zigong was actually a favorite disciple of Confucius. As he was keen on doing business, Confucius criticized him for going beyond his bounds and engaging in speculation. In fact, Zigong was very good at doing businesses. Handed down from generation to generation, the ideas that look down upon commercial trade still affect certain people today. The doggerel "people with a dubious character make huge profits" is actually the remnant of history.

Times have changed after all and poeople engaged in trade, including large numbers of individual households, are making indispensable contributions to society. If we continue to look on them with outdated ideas, it would mean that our brains are still in remote antiquity though we have joined socialism. The deepgoing development of reform and progress of the times require people to change all their outdated, traditional ideas.

It should be pointed out that a handful of people have exploited the advantage of opening up and economic invigoration and used illegal means to make huge profits. Some of them have ignored commercial ethics and some have defied state laws, rode roughshod over others, and resorted to blackmail. They should be criticized, educated, and fined. Those who have violated the law should be punished accordingly.

NEW PLAN TO IMPROVE ENVIRONMENTAL PROTECTION

HK060315 Beijing CHINA DAILY in English 6 Jun 86 p 1

[By staff reporter Guo Zhongshi]

[Text] A comprehensive plan to improve China's environmental protection was announced yesterday at a meeting in Beijing marking the 14th International Environmental Day.

The new programme, which includes schemes for the prevention and reduction of pollution, the technological transformation of industrial firms, greater State supervision, the exploration of new resources and formulation of new regulations, will be implemented throughout the country over the next five years.

Major efforts will be focused on tackling environmental problems caused by industrial waste and noise in urban areas, Ye Rutang, Minister of Urban and Rural Construction and Environmental Protection, said at the meeting, which was attended by Chinese specialists and two United Nations representatives.

He said new industrial businesses now under construction or being planned were required to send in reports showing their potential effects on the environment and the old, pollution-ridden ones would go through technological transformation aimed at making them meet State standards of environmental protection.

While guiding rural township enterprises in their development, Ye said, the ministry will be strict with pollution problems in a bid to stop pollution from increasing or spreading to other places.

The ministry will devote special efforts to preserving the ecological balance and economizing on natural resources by formulating new laws and putting forward an "ecological agriculture" plan -- the exploration of new energy resources in rural areas, controlled distribution of pesticides, the construction of natural reserves as well as the protection of rare species of plants and animals on the verge of extinction, he said.

The ministry will also step up its environmental moinitoring to form a nationwide network using advanced equipment to present accurate reports, Ye added.

In the past few years, he said, China had achieved some success in environmental protection, adding that 167 major sources of pollution were blocked and pollution caused by industrial wastes was controlled, even though the country's industry was still growing rapidly.

A forest belt of more than 6 million hectares was completed, gas rather than coal cooking was popularized, 70 percent of chimneys were equipped with soot trappers, 99 rivers and lakes were cleaned up.

But, he said, the 10 main problems listed by experts as endangering the world environment still existed in China: Desertification, the illegal felling of trees, the extinction of wildlife, the sharp growth of the human population, a shortage of drinking water, the destruction of fishing resources, serious river pollution, the overuse of pesticides, the rising temperature of the earth and acid rain.

"If we fail to give these problems the attention they deserve, we face not only immediate punishment, but also tremendous obstacle to our future development and even irredeemable loss," he said.

Vice-Premier Li Peng said at the ceremony: "We need a peaceful environment; we also need a beautiful, clean and comfortable environment."

COLLEGE GRADUATES VOLUNTEER TO WORK IN NORTHWEST

OW050838 Beijing XINHUA in English 0757 GMT 5 Jun 86

[Text] Lanzhou, June 5 (XINHUA) -- Nearly 2,000 students who are soon to graduate from colleges in better development areas have expressed their willingness to work in the northwest, an area still poor but already designated to receive priority in China's economic construction at the turn of this century.

In letters to personnel departments of the Xinjiang Uygur and Ningxia Hui Autonomous Regions, and Ginghai and Gansu Provinces, they expressed the wish to work where conditions are difficult, so that they can contribute more to China's modernization.

The governments of these autonomous regions and provinces are busy making preparations for receiving the volunteers, and they expect more to come, according to personnel officials XINHUA inteviewed by telephone.

The northwest, totaling 2.77 million square kilometers (about one third of China's land mass), is part of central Asia. It is famous for its abundance of natural resources but notorious for scarce rainfall and hostile terrain. The 330,000 square kilometer Taklamakan Desert in Xinjiang -- "Taklamakan" meaning "one can go in but can never get out" in the Uygur language -- is the largest in China. And the bulk of Qinghai Province is occupied by the rock-strewn Gobi Desert and the snow-clad Qinghai-Tibet plateau averaging 3,000 meters above sea level.

"I know that conditions in Qinghai are hard," Chen Ziqiang, soon to graduate from the Philosophy Department of Jilin University in Northeast China, said in a letter to Qinghai Authorities. "I don't expect the god of fortune to grant me any special favor, but neither do I think that nothing can be achieved in Qinghai."

Last year, official delegations from the northwest provinces and regions toured Beijing, Shanghai, and others cities, and talked with college graduates, trying to persuade them to volunteer to go and work in their localities.

This followed poromises made by Hu Yaobang, Zhao Ziyang and other leaders to make the northwest the center of China's economic construction at the end of this century.

FORMALITIES FOR FOREIGN PERFORMERS DISCUSSED

HK050926 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0212 GMT 2 Jun 86

[Text] Beijing, 2 Jun (ZHONGGUO XINWEN SHE) -- Readers' Letterbox: What formalities should be gone through if nongovernmental art ensembles or individual artists of Overseas Chinese and compatriots in Hong Kong, Macao, and Taiwan come to the mainland to put on theatrical performances?

Question: If Overseas Chinese and compatriots in Hong Kong, Macao, and Taiwan come to the mainland to give theatrical performances, with whom should they get in touch?

Answer: The Chinese Foreign Theatrical Performance Corporation under the Ministry of Culture is a department in charge of cultural exchange. Its work involves making arrangements for intergovernmental exchange of art ensembles and nongovernmental exchange of art troupes, including performances given by art ensembles and artists of Overseas Chinese and Hong Kong, Macao, and Taiwan compatriots on the mainland.

Overseas Chinese and Hong Kong, Macao, and Taiwan compatriots who plan to stage theatrical performances on the mainland may enter into direct contact with the Chinese Foreign Theatrical Performance Corporation other relevant departments. The address of the corporation is as follows: 25, Dongsi Shi Tiao A, Beijing; Cable: CPAA; and telex: 22013CPAAG. They may also contact Chinese embassies or consulates in the countries in which they live.

Question: How will art troupes or individuals be granted an entrance visa?

Answer: As long as nongovernment art troupes or individual artists of Overseas Chinese and Hong Kong, Macao, and Taiwan compatriots are notified with approval for their performances on the mainland, they can go to Chinese establishments (such as embassies and consulates) in the countries in which they live to get their passports visaed, and start to make all necessary preparations.

Question: What are the regulations governing expenses for food, accommodation, and travel on the international routes during the visit of art ensembles to China?

Answer: Generally speaking, when art ensembles are artists that are listed in the plans for intergovernmental cultural exchange visit China, they pay their own traveling expenses on the international routes and the relevant departments of our country are responsible for their food, accomodation, traffic facilities, performance and other services, and the income from their performances are due to the Chinese side. Nongovernmental art ensembles should pay not only traveling expenses on the international routes but also expenses for food, accomodation, and traffic and labor charges for their performances during their visit to China.

Question: Are there any requirements specially applied to the content and form of theatrical performances?

Answer: With improved living standards and enhanced cultural level of the people and thanks to China's policy of opening to the outside world, the Chinese people have broadened their field of vision and their interest in theatrical performances is ever growing. Not only are they interested in traditional culture and arts of different nationalities, but they are also eager to know the trend of contemporary cultural development in the world as well as different styles and schools of art. Therefore, there is a bright future for the exchange of art performances.

ABSORPTION OF FOREIGN INVESTMENT SLOWS IN 1986

HK051446 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0857 GMT 5 Jun 86

[Text] Beijing, 5 June (ZHONGGUO XINWEN SHE) -- In the first 4 months of this year, China's absorption of direct foreign investment has slowed down compared with that in 1984 and 1985.

GUOJI SHANGBAO believes there are two reasons: First, with the extended scale of the use of foreign capital, more and more departments are involved in Sino-foreign joint ventures, disputes between both sides have increased, and the question of "difficulties in handling affairs" has become prominent. At present, it is necessary to set up a coordination organ to resolve problems concerning wholly-owned foreign enterprises. The laws and regulations on foreign economy should be based on the fundamental law. They should coordinate and correspond with each other so that there are laws to follow and places to make complaints, and that better conditions are created for foreign investment. Second, it is necessary to implement the existing policies and regulations. For example, the question of import substitutes for the products of Sino-foreign joint ventures is not yet thoroughly resolved in certain departments. Consequently, the state has suffered losses and it has also become difficult for certain joint ventures to maintain a balance of their foreign exchange.

It has been reported that the number of joint ventures, cooperative projects, and wholly-owned foreign enterprises approved by China from January to April this year totals 327, with foreign investment amounting to over $500 million.

The import of foreign capital reached an all-time high in 1984 and 1985. A number of coastal cities were further opened to the outside world and the state laws and regulations on foreign economy were gradually perfected. As a result, the number of foreign businessmen making investments in China increased drastically. The initiative of American, Japanese, and Western European businessmen in making inverstments in China changed the situation of Hong Kong and Macao businessmen playing a dominant role in the early stages.

Of the investment items, the proportion of productive projects increased remarkably and the construction of some large productive projects especially brought about a radical change in the setup of the Sino-foreign joint ventures.

Some experts believe that China will have to import foreign capital on a large scale according to its economic needs. In order to speed up the pace in this regard, it is necessary to gradually revolve the previously mentioned problems.

ZHANG JINGFU ON IMPROVEMENTS IN PRODUCT QUALITY

OW052045 Beijing XINHUA in English 1522 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- China will push ahead with applying international standards of quality, technology and management in Chinese factories, State Councillor Zhang Jingfu said here today.

Economic measures will be adopted over the next five years to ensure that enterprises strive for international standards and raise technical levels, so that more quality goods are produced for the world market.

He said the adoption of international standards was an important step in China's open policy. The improvement of the quality of Chinese products was vital to the modernization drive.

Meanwhile, Zhu Rongji, vice-minister of the state economic commission, said that state standards for product quality would be classified as "superior quality" products whose quality reached the advanced world level, "first-rate" for goods meeting acceptable international standards and "standard products", which measured up to the advanced domestic level.

Preferential treatment and material rewards would be given to enterprises producing superior quality products, while those making inferior products would face extra taxes.

PLA ENGINEERING CORPS EQUIPMENT UPDATED

OW060122 Beijing XINHUA Domestic Service in Chinese 1507 GMT 5 Jun 86

[By reporters Yi Jianru and Chen Xiangan]

[Text] Beijing, 5 Jun (XINHUA) -- The reporters have learned from a meeting sponsored by the PLA General Staff Headquarters to examine the Engineering Corps' equipment that, in the course of the modernization drive, the PLA Engineering Corps has undergone historic changes and its operation today has been basically mechanized. Gone are the days when construction was done primarily with pick and shovel.

The engineering corps is made up of many special units providing engineering, bridge building, camouflaging, water supplying, and maintenance services. In the course of restructuring and streamlining the Armed Forces, the organization of the Engineering Corps has become even more scientific and rational. Larger in size than before, the Engineering Corps has now basically become one of the best organized branches of the combined forces.

Today, the Engineering Corps has had more engineering equipment for troop protection, including construction equipment, equipment for detonating land mines, camouflaging equipment, and many other tools. Many pieces of outdated and inefficient equipment and tools have been replaced by modern ones. There is a whole series of equipment for building pontoon bridges, and for planting or sweeping mines. The previous outmoded way of excavating trenches and building roads with shovels and picks has now been replaced by an entire series of machinery. In the past, dynamite was hand-delivered, and land mines were planted with shovels. Today, rockets are used, and land mines are placed efficiently by machines. For a long time small boats were relied upon to cross a river. Today, obstacles posed by the country's large and small rivers can be surmounted by the use of all types of pontoon bridges. Newly developed camouflaging apparatus have become the Engineering Corps' new equipment, and all of its units are receiving equipment for camouflaging operations. The quality of the newly developed camouflaging networks to be used on snow-covered terrains is among the best in the world.

GUANGMING RIBAO ON ROLE OF COUNTY-LEVEL REFORM

HK060333 Beijing GUANGMING RIBAO in Chinese 24 May 86 p 3

[Article by Li Qingzen: "The Status and Role of County-Level Reform"]

[Text] Reform at the county level is a process that links agricultural reform to industrial reform, links rural reform to urban reform, and links microeconomic reform to macroeconomic reform. In China's economic structural reform, the status and role of county-level reform is determined by the nature of the county economy and the objective needs of China's economic structural reform.

The county economy is a local economy formed naturally after long-term social and economic development. Its departments are rather comprehensive, including the rural economy, which forms the key element of the county economy. County authorities not only have to make decisions on agricultural production but must also plan in a centralized and all-round way the production and operation of industrial and commercial departments. The county economy is an integration between agriculture and industry. This characteristic determines that any partial reform of agriculture will inevitably involve reform of departments like industry, commerce, and finance at county level. The county economy not only includes rural economy, like household economy and township economy, but also the county and town economies like state-run industry and commerce. It is also an integration between the rural economy and the urban economy. This characteristic determines that the response of towns and county cities to rural changes is the quickest and their adaptability is the most powerful. The county economy is not only an integration of microeconomics, but also a basic unit of the state's macroeconomic control and readjustment. In most cases, one can find county sections and bureaus corresponding to the state's ministries and commissions. The characteristic that the county economy is an integration between microeconomy and macroeconomy determines China's reform of the macroeconomic structure. Only when we score successes in reforming the county economy system can we carry out the work on a full scale and can we achieve the best social benefits and economic results.

At present, China has conducted many experiments and much exploration regarding urban reform, and has scored remarkable successes and gained important experience. Nevertheless, we have only just started urban reform.

In order to successfully apply our basic experience gained in the rural reform to the work of urban reform, and to turn rural reform into a powerful driving force for an overall economic structural reform, we must push the rural reform to a higher economic level. Such a level must be marked by three basic conditions: The first is comprehensiveness. Rather than just involving a certain enterprise or department, it should be an integration of various enterprises and departments. Only thus can it become comprehensive and systematic in terms of the overall economic structural reform, and become worthy of having lessons drawn for it. The second is relative independence. It differs from the major focal points of the national economy -- that is, large and medium-sized cities. This is because the large and medium-sized cities open their doors too wide, though they are the integration of enterprises and departments. Once mistakes are made, they will bring great shocks to the national economy as a whole. The third is widespread distribution. In the vast territory of China, there are great differences in economic development among various regions. But our basic measures of economic reform must conform to this immense variety of conditions. The county economic departments are rather complete, and form a subordinate system of the national economy, which is the larger system. Compared to the economics of large and medium-sized cities, the county-level economy is a rather closed and independent one. As there are over 2,000 counties across China, their distribution is scattered. Therefore, the county-level economy can meet the above basic conditions.

The county economy itself includes four minor levels: household economy, cooperative economy, township economy, and town economy. Reform at county level mainly involves these four areas. Proceeding from the present work, the focal point of county-level structural reform is: We should perfect the contracted responsibility system with payment linked to output and establish regional cooperative economic service organizations. We should reform township enterprises and establish a financial system at the county level. We should reform the supply and marketing cooperatives, as well as the credit cooperatives. We should reform the state-run industrial and commercial enterprises. We should reform the county financial system. We should reform the county organizations. We should reform the cadre, personnel, and laboring systems. Hence, we can see that county-level reform involves not only agricultural reform but also industrial and commercial reforms. Not only does it include rural reform but also urban reform. Not only does it involves microeconomic reform but also macroeconomic reform. In other words, the county-level reform plays an important part in China's economic structural reform as a whole. Therefore, only when we do well in the county-level structural reform can we provide a base for our urban reform. This is an urgent task we are facing in our present structural reform.

STATE PLANNING COMMISSION FIGHTS RED TAPE

OW051435 Beijing XINHUA in English 1341 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- Since the bureaucratic work style of China's State Planning Commission was exposed by the PEOPLE'S DAILY last month, that unit has been working hard to change its image by raising efficiency.

The staff of the commission, as well as its leading body, were shocked by a letter from six party members belonging to the unit, which appeared in the party paper, and were stimulated to uproot the red-tape problems, the commission authorities told XINHUA today.

The commission, responsible for examining and approving construction projects, has organized its staff to handle the documents and the proposals which are seriously in arrears.

May 28, when the letter was published, the Business Bureau of the commission received an urgent proposal which needed the signatures of five departments. Such documents used to take at least two weeks before being approved, but this time it only took half a day.

On May 31, when the investment bureau got an application for electricity subsidy for a region, they changed the usual way of passing it around, and decided on the matter the same day.

In the meantime, the authorities said, they are working on drafting a new set of rules and regulations, the ultimate solution to keeping the bureaucratic work style under control.

The drive to improve the party work style was started earlier this year by the Secretariat of the Central Committee of the Chinese Communist Party when General Secretary Hu Yaobang called on central party and government organs to set an example for all units to follow in improving work efficiency.

ARTICLES URGE SUPPORT FOR REFORMERS WORK

OW051433 Beijing XINHUA in English 1337 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- After interviewing more than 100 enterprise leaders who are engaged in reforms, a Chinese economist has concluded that what they need most now is political backing.

Feng Yuzhong, also president of northeast China's Liaoning University, was quoted by today's GUANGMING DAILY as saying that many reformers felt vulnerable to attacks from orthodox forces because they are often not supported by their leaders when they are in trouble.

For example, managers who are able to save enterprises which face bankruptcy are often afraid to act when their fellow workers refuse to cooperate. Many other managers are afraid to take the monetary rewards which they deserve.

Today's ECONOMIC DAILY also carried an article on its front page encouraging the reformers.

"The elimination of the old structure and the building of the new can be gradual," the paper said, quoting Premier Zhao Ziyang in his report to the Fourth Session of the Sixth National People's Congress March 25. "Reform is a complicated and protracted process in which troubles are bound to occur at all times," the paper said. The reformers should be brave enough to stand the upsets and be always ready to draw lessons from mistakes, the paper said.

On the other hand, understanding and protection from the superior departments are also crucial for the enterprise reforms.

Reformers should be allowed to make mistakes and other people should not be too quick to blame them, the paper said.

OVERSEAS LABOR SERVICES CORPORATION SET UP

OW051251 Beijing XINHUA in English 1224 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- China's first national corporation to organize Chinese labor services abroad -- especially those involving technicians and engineers -- has been set up in Beijing.

The new organization, called the China Hualong International Co-operation and Service Corporation, will supervise the hiring out of workers involved in such services as heavy industry, communications, construction, agriculture, animal husbandry, science, technology, culture, education, commerce, service trades, banking and insurance.

It also plans to launch Sino-foreign joint ventures, a corporation official said today.

The new corporation will ensure that contracts are met, quality is provided and that Chinese workers observe the laws and respect the customs of the countries they are providing services for, said the official.

China has already established more than 60 specialized companies providing labor services for foreign countries. By the end of last year, more than 17,000 Chinese workers had been sent abroad on contracted engineering and labor projects.

JAN-APR INDUSTRIAL OUTPUT UP 4.2 PERCENT OVER 1985

HK060313 Beijing CHINA DAILY in English 6 Jun 86 p 1

[By staff reporter Chen Zhisong]

[Text] China's industrial output grew by 4.2 percent in the first four months of this year over the same period last year, but the low quality and high cost of goods are still major problems hindering industry's economic efficiency, Yuan Baohua, vice-minister of the State Economic Commission, told a national conference in Beijing.

During the four months, the country's total industrial output was 272.7 billion yuan. Its light and heavy industries increased by 4.7 per cent and 3.8 percent respectively, maintaining a balanced development, Yuan said.

Commodity wholesale volume during the period reached 156.35 billion yuan, a 3 percent growth over the same period last year, adjusted to include the price factor.

Export volume was $8.02 billion, a 13.7 percent increase, while the import volume reached $8.86 billion, a 3.49 percent rise.

About 28 percent of the year's anticipated national income was earned during the period.

But problems still exist in the industrial field, mainly due to poor economic efficiency and unreasonable product structure. Industry's profits dropped, while costs rose and quality fell.

Industries are being urged to concentrate their efforts on raising economic efficiency and improving product quality.

One important measure to achieve the aim is to fully adopt international and foreign advanced standards in industrial production, according to a message from Vice Premier Li Peng to the national conference on standardization work which ended yesterday in Beijing.

During the conference, measures were mapped out to bring 40 percent of the country's industrial goods up to the international levels of the late 1970s and early 1980s in terms of performance and quality by the year 1990. They will include:

Spending 100 million yuan in five years on making sure goods are up to standard. The foreign exchange needed for this work will be provided by the State Economic Commission.

Granting attribution fees and awards to those who fix and maintain high standards. Setting higher prices for high-quality products. Income from the rise in prices will be spent on technical renovation and better welfare facilities.

Levying heavy taxes on poor quality products. The State Economic Commission is to make an annual list of those poor quality products which are subject to taxation.

INDUSTRIAL DESIGNERS TO BOOST FOREIGN COOPERATION

OW052207 Beijing XINHUA in English 1425 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- Chinese industrial designers will step up co-operation with their counterparts overseas to raise the country's design standards, a government official said here today.

Since the late 1970s, 150 large industrial development schemes have been designed jointly by Chinese and foreign engineers and architects.

These have included the Zhenhai petrochemical plant in Zhejiang Province, the Xinglongzhuan coal-washing plant in Yanzhou, Shandong Province, and the Huolinhe coal mine in Inner Mongolia Autonomous Region, one of China's largest opencast mines.

The official said Sino-Foreign co-operative design had broadened the outlook of Chinese architects and improved engineering design and construction.

The Zhenhai petrochemical plant, which has a daily production capacity of 1,740 tons of urea, was designed jointly by Chinese and foreign experts. It was 25 percent cheaper to build and saved 70 percent of foreign exchange than if a complete working range of foreign equipment had been imported for it.

CHEN PIXIAN ADDRESSES POLICE MEETING IN FUJIAN

OW241354 Beijing XINHUA Domestic Service in Chinese 0750 GMT 22 May 86

[By RENMIN RIBAO reporter Hu Hengquan and XINHUA reporter Cai Qinghe]

[Excerpts] Fuzhou, 22 May (XINHUA) -- The Chinese People's Armed Police Force held a meeting in Longyan City, Fujian on 21 May on exchanging experiences in police and civilians' joint building of lawful civilized cities. Chen Pixian, member of the CPC Central Committee Secretariat and NPC Standing Committee vice chairman, attended the meeting and extended greetings on behalf of the party Central Committee, the NPC Standing Committee, and the State Council.

Chen Pixian said: Police and civilians' joint building of lawful civilized cities is an appropriate way to intensify the building of spiritual civilization, a good method for popularizing legal knowledge, and an effective measure for achieving a fundamental improvement in general social conduct and security. The direction of activities on police and civilian joint building of lawful civilized cities is correct and in conformity with Comrade Deng Xiaoping's strategic idea of attending to economic development on the one hand and to economic legislation on the other. It is necessary to summarize and popularize such experiences.

Chen Pixian said: Armed Police units are a special force stationed in about 200 cities with a population of over 300,000, such as Longyan, to enforce and safeguard laws. If all Armed Police units take the initiative to launch activities on police and civilian joint building of lawful civilized cities, as the Longyan prefectural branch has done, and stress the improvement of legislative work and bring into full play their advisory, exemplary, and leading role in the activities, we will be able to speed up the realization of the central authorities' call to strive for a marked improvement in general social conduct and security, first of all, in cities with populations of over 300,000 throughout China. Likewise, if all cities in China, especially those with populations of over 300,000 such as Longyan City, rely heavily on the strength of Armed Police units and create the opportunity for them to play the leading role, we will undoubtedly be able to accelerate the process of building up the legal system in all cities, rural towns, and in the vast countryside. He called on local party committees, people's congresses, and governments at various levels to attach great importance to the Armed Police Force, show concern for its expansion, and make good use of its role in improving the legal system.

Chen Pixian said: Public security and judicial organs should launch activities on building lawful civilized cities together with local people, as the Armed Police units have done. They should adopt realistic measures in carrying out the activities suited to local conditions. So long as we can harness the enthusiasm of all quarters and take concerted action in our struggle in unity, we will certainly be able to speed up the popularization of legal knowledge, intensify building the socialist legal system, and ensure smooth progress in the economic structural reform and the socialist modernization drive.

Located in the border area of Fujian, Guangdong, and Shanxi Provinces, Longyan City with its population of 380,000 is the political, economic, and cultural center of western Fujian.

In order to bring about a fundmental improvement in general social conduct and security, the Longyan Prefectural Armed Police branch and Longyan City have successfully launched the activities on police and civilians' joint building of lawful civilized cities by enforcing the law in the city and educating the people in morality since last July.

Commander Li Lianxiu and Deputy Political Commissar Zhang Haitain of the Armed Police force, as well as officials of Fujian provincial departments concerned, attended the meeting. Also attending the meeting were comrades in charge of political and mass work of all armed police units and military academies.

Jian Guizhang, secretary of the Longyan City Party Committee, and Lai Xinan, political commissar of the Longyan Prefectural Armed Police branch, introduced experiences in police and civilians' joint building of lawful civilized cities at the meeting.

HU QIAOMU, CHEN PIXIAN AT ART PERFORMANCE

OW312308 Beijing XINHUA Domestic Service in Chinese 1559 GMT 30 May 86

[By reporter Zhao Lanying]

[Excerpts] Shanghai, 30 May (XINHUA) -- "My Chinese Heart," a song performed in sign language by the blind, deaf, and mute, received first prize in the performance of a new creation, at the closing ceremony of the 12th "Spring of Shanghai" today.

Hu Qiaomu, member of the Political Bureau of the CPC Central Committee; Chen Pixian, member of its Secretariat; Wu Bangguo, deputy secretary of the Shanghai Municipal CPC Committee; and Xia Lijuan, vice mayor of Shanghai, attended the closing ceremony.

LI PENG AT MACHINE-BUILDING CONFERENCE

OW051045 Beijing XINHUA Domestic Service in Chinese 1435 GMT 4 Jun 86

[By RENMIN RIBAO reporter Wang Zheng and XINHUA reporter Li Anding]

[Text] Beijing, 4 Jun (XINHUA) -- Vice Premier Li Peng of the State Council pointed out today: After the Ministry of Machine-Building Industry has put all of its enterprises under lower-level administrative authorities, machine-building enterprises now under the jurisdiction of provinces, municipalities, and departments should also be put under lower-level administrative authorities in a planned way and step by step.

Li Peng said this at the national conference of machine-building industry. Li Peng said: The Ministry of Machine-Building Industry is among those departments that have been selected by the State Council to initially implement management reform. The machine-building industry has blazed a new trail in this respect and taken the lead in implementing reform. Why should the reform start with the machine-building industry? He pointed out: There are two main reasons. One is that the machine-building industry is an important department of the national economy. It is a department that supplies equipment for the national economy. And the progress of all economic departments in modernization is determined by the quality of machinery equipment supplied. The other is that in the machine-building industry there are most conspicuous contradictions in management as well as most serious barriers among departments and among regions.

Each department and region has its own machine-building enterprises, and most of them, whether large or small, are "all-inclusive" enterprises. This state of affairs makes for enormous waste, low efficiency, and little progress and no longer meets the needs of modernization.

Li Peng held that the key to reform in the management of machinery enterprises is to put these enterprises under the administration of major cities. He said: This should not simply be a change of administrative level. The major cities should provide more coordination and services to promote lateral cooperation among enterprises. They should not impose mandatory planning on them and not force them to raise their output value; nor should they overly interfere in the internal affairs of the enterprises; otherwise, putting these enterprises under the administration of lower levels would be meaningless. As far as the Ministry of Machine-Building Industry is concerned, by releasing control over the enterprises to lower levels it rids itself of a big work load, enabling it to fully exercise its functions and improve management in the entire trade. He said: It is not an easy job to enhance management in this business. It takes great efforts to boldly explore new ways to advance reform and create new experience in business management.

Talking about how to further carry out management reform in the machine-building industry, Li Peng stressed three areas: First, the promotion of lateral cooperation among enterprises. This is part of management reform. Putting enterprises under the administration of lower levels creates favorable conditions for the development of lateral associations. However, it will definitely meet with quite a few difficulties in terms of capital, materials and equipment, circulation and others, as it is entirely something new besides that our reform measures are still not complete or systematized. Therefore, we must adopt a supportive attitude and discover the law governing lateral associations so as to make it develop healthily. Second is paying attention to bringing the role of military industry enterprises into play. It is necessary to make use of the advantage of military industry of having better technology and equipment to create new advantages through the cooperation between military and civilian enterprises. And third is adopting the public bidding method in the purchase of machinery products from now on. This is a major reform. The manufacture of large-scale equipment and product by enterprises should not be assigned solely by leading organs. It is essential to break down the barriers among departments and among regions and to promote competition among enterprises.

LI PENG OPENS EXHIBITION ON COMPUTER DEVELOPMENT

OW051050 Beijing XINHUA in English 1042 GMT 5 Jun 86

[Text] Beijing, June 5 (XINHUA) -- China opened an exhibition on computer development and application here today to show its resolution to bring the state into the electronic age.

Vice-Premier Li Peng cut the ribbon at an opening ceremony for the exhibition and reviewed the achievements made in developing and applying computers. On display are 1,500 research achievements selected from 19 sectors, including transport, energy, machine building, electronics, telecommunications, finance, trade, national defence, public security, agriculture and public health. China now has more than 7,000 computers and 130,000 microcomputers, as against 2,900 and 600, respectively in 1980. At the 26-day exhibition, the organizers will organize an technical exchange market and give technical lectures.

LI PENG PLANTS 'PEACE TREES' IN BEIJING 5 JUNE

OW051501 Beijing XINHUA in English 1429 GMT 5 Jun 86

["'Peace Trees' Planted in Beijing" -- XINHUA headline]

[Text] Beijing, June 5 (XINHUA) -- Vice-Premier Li Peng and other senior Chinese officials planted trees at Beijing's National Children's Center today to represent the growth of peace and environmental protection in the world.

This was one of the events held in the Chinese capital today to mark world environmental day. A university students' seminar and an evening performance by leading dramatic players and singers were also held.

Fourteen years ago today, the first international meeting on global environmental protection was held in Stockholm. More than 1,300 representatives from 113 countries attended. The 27th United Nations General Assembly held that year approved a proposal that the opening day of the meeting should be remembered as "World Envirnomental Day."

This year's theme is "Envirnoment and Peace", and Li Peng said after the tree-planting: "This will show the desire of the Chinese people and government for environmental protection and the safeguarding of world peace."

Meanwhile, a seminar on the theme was held by students from Beijing University, and a performance to mark the day was staged in the capital tonight.

TIAN JIYUN STRESSES YANAN SPIRIT IN SHAANXI

HK290151 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 28 May 86

[Text] Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, stressed during a recent inspection of Shaanxi Province that in the new historical period, it is necessary to continue to display the Yanan spirit, vigorously develop commodity economy, and be bold in exploring ways to get rich.

Tian Jiyun arrived in Yanan, Shaanxi, on 22 May. He inspected the city for 3 days. He visited [words indistinct] and invited grass-roots rural cadres and masses to hold discussions.

While listening to reports delivered by responsible comrades of Yanan, Yulin, and Shangluo Prefectures, he gave important views centered on vigorously developing commodity economy and boldly exploring ways to get rich. After fully affirming the excellent situation in the province, and especially in Yanan, Yulin, and Shangluo prefectures, He said: So long as you unswervingly implement the party's policies and principles, persevere in the guideline of planting grass and trees, developing animal husbandry [words indistinct], and eliminating poverty and getting rich, and work hard in everything, still more gratifying changes will occur in all aspects.

Tian Jiyun specifically analyzed the current economic situation on the loess plateau in northern Shaanxi and in the mountain areas of Shangluo Prefecture and the favorable conditions and unfavorable factors for economic development there.

He then proposed to the leading party and government comrades of these areas a number of specific demands for basing their work on reality and local conditions, taking advantage of strong points and avoiding weak ones, vigorously developing commodity economy, and boldy exploring ways of getting rich:

1. Continue to display the Yanan spirit of waging arduous struggle, relying on one's own efforts, fearing no difficulties, and being bold to destroy the old world and build a new one. We must continue to regard the Yanan spirit as our spiritual pillar in guiding us to persevere in reform, transform the mountains and rivers, eliminate poverty and get rich, and accomplish the four modernizations.

2. We must eliminate traditional, conservative small peasant economy mentality, and gradually establish the commodity economy concept and the concepts of operations and economic results.

3. We must take effective measures, based on urgent local needs, to train and bring in talented people in a variety of ways. On the basis of doing a good job in agricultural production, we must actively establish township enterprises, first organizing a processing setup for agricultural and sideline products. We must also invigorate commodity circulation and develop lateral ties.

4. It is essential to have an organizational guarantee. We must continue to strengthen the building of the leadership groups, improve the quality of the cadre force, and promote and employ a new generation.

From 26 to 28 May, Tian Jiyun carried out inspections in Xian. He inspected construction projects around the city and viewed agricultural trading markets, the agricultural and sideline products wholesale market, the industrial goods wholesale market, and department stores. Chatting with the peasants, hawkers, shop assistants, and market management staff, he repeatedly stressed the importance of hygiene in handling all commodities, to avoid harming the health of customers. He expressed the hope that the wholesale markets would be run still better. He also demanded that the commerce departments currently pay special attention to two matters: 1) Take measures to encourage and support business in small commodities and sundries; 2) care for the workers' daily life, perfect the job responsibility system, and improve the service attitude.

Vice Governor Xu Shanlin accompanied Tian Jiyun during his Yanan inspection. Governor Li Qingwei and Dong Jichang, deputy secretary of the provincial CPC Committee and secretary of the Xian City CPC Committee, accompanied him during his Xian inspection.

HAO JIANXIU ADDRESSES PUBLISHING HOUSE FORUM

OW300645 Beijing XINHUA Domestic Service in Chinese 1616 GMT 29 May 86

[By reporters Zhu Shuxin and Li Zhongcheng]

[Excerpts] Beijing, 29 May (XINHUA) -- Addressing a China Children Publishing House forum today to mark the "1 June" International Children's Day and the 30th founding anniversary of this publishing house, Hao Jianxiu member of the Secretariat of the CPC Central Committee, said: "Let us join hands to undertake the task of cultivating the new generation and strive to create a new situation for our children's education and the related publishing work with a view to rejuvenating China and raising the quality of our whole nation."

Hao Jianxiu said: It is a matter of great importance to celebrate the 30th founding anniversary of the China Children Publishing House at a time that we greet the "1 June" International Children's Day. During the last 30 years since its founding, the China Children Publishing House has turned out quite a number of good books for children. It has dont a great deal of work for the cultivation and education of children and has scored gratifying achievements in this regard.

She went on to say: Publication of reading materials for children is a very important task. If we compare the work of children's education to a big systems engineering project, the work of publication will be an indispensable, vital part of this project. Many of our veteran revolutionaries, parents, schools teachers, and all comrades who are concerned about the healthy growth of our children have expressed the ardent hope that in accordance with the requirement of imbuing children with high ideals, morality, general knowledge, and sense of discipline, publishing houses will turn out more good books with rich, varied, and lively contents and that are suitable for children so as to ward off the influence of unhealthy reading materials, give our next generation a greater immunity to bad things, and enable it to mature healthily. History has placed this glorious task on our comrades' shoulders.

She said: On the work front of publication of children's reading materials, many comrades have appeared who seek neither fame nor personaal gain, but have persisted in working diligently and earnestly for several decades without advertising themselves. They have devoted their efforts, heart and soul, to the cultivation of young seedlings of our motherland. Their lofty thinking and painstaking labor have won the respect of the overwhelming majority of people in society. We should emulate that they have done by keeping to their road unswervingly.

Jao Jianxiu stressed: In publishing children's reading materials, it is imperative to give first priority to improving quality. Children's reading materials must be carefully written and edited to suit the young readers' characteristics and needs. Carelessness and perfunctoriness in writing and editing children's reading materials are absolutely not allowed. If we tried one-sidely to turn out more books in the hope of greater economic results but disregard their quality, we would be irresponsible to our next generation. To do so would be a crime, if we take the matter seriously.

She added: Children's education is very extensive work. It is not enough to rely merely on educational and publishing departments, CYL organizations, and women's federations to do this work. What is required is the joint effort of all related functional departments and all of society. Our party and government organs, PLA units, people's organizations, enterprises, and institutions should give full play to their specific functions and render substantive assistance from various angles to help children mature healthily. They should give a green light to everything conducive to the healthy growth of children and provide favorable conditions for doing such things if at all possible.

Among those attending today's forum were Zhu Xuefan and Yan Jici, vice chairman of the NPC Standing Committee: Qian Changzhao vice chairman of the CPPCC National Committee; and Song Defu, first secretary of the Secretariat of the CYL Central Committee [title as received].

At the forum, speeches full of ardent hopes were delivered by Yan Jici, Yang Haibo, Hu Keshi, Feng Jun, Hu Dehua, Xu Weicheng, Li Geng, Chen Hanbo, Yan Wenjing, Tang Tao, and Chen Mo. They affirmed the achievements made by the China Children Publishing House over the last 30 years and placed ardent hopes on this unit.

Guo Jing, a young pioneer from Dingxiang Primary School in the Dongcheng District of Beijing, also spoke at the forum.

Others attending today's forum included Wang Zhaohua, Li Yan, Lu Jindong, Li Qitao, Bian Chunguang, Liu Yandong, Li Yuanchao, Jin Jin, Wang Chichang, Ye Zhishan, and Yan Sheng. The forum was presided over by Wang Jinghuan, deputy director of the China Children Publishing House.

Public figures from the publishing, education, literary, and art circles and children's representatives in the capital, totaling some 200, attended today's forum.

Prior to the forum, central leaders and other participants visited an exhibition held by the China Children Publishing House showing selected good reading materials for children published in the past 30 years.

OFFICIALS ATTEND YOUNG PIANISTS' AWARD CEREMONY

OW301916 Beijing XINHUA in English 1741 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- A five-year-old Guangdong girl named Liang Jingjing and Liu Jie, an eight-year-old girl from Hunan presented the famous "Hungary Dance Music" and episodes from the opera "White-Haired Girl" respectively in the Great Hall of the People here today to the applause of the audiences.

This is part of the performance given by the winners of the first national children's electronic piano competition held by Soong Ching Ling Foundation a few days ago. It was preceded by the awarding ceremony held by the foundation in the Great Hall of the People today.

Sha Hong, vice-chairman of the foundation, said at the ceremony that the competition was intended to help promote children's early interest in music and moral development.

He noted that the competition is themed on world peace, which is what Madame Soong Ching Ling, the late honourary chairman of China, had been sought for during her lifetime and is also one of the aims of the foundation.

As one of China's activities for the international peace year, the competition is also to help the Chinese children to foster the concept for world peace.

The 104 young players from 28 provinces, municipalities and autonomous regions, ranging from 4 to 12 years in age, took part in the competition.

The competition has shown the talent and potential of the Chinese children and would arouse their enthusiasm for the study of music, Sha Hong said.

The party and state leaders Hao Jianxiu, Yan Jici, Liao Hansheng, and the foundation's chairman Kang Keqing attended the awarding ceremony.

ANHUI PROVINCE INTRODUCES TOWN, VILLAGE PLANNING

OW060445 Beijing XINHUA in English 0137 GMT 6 Jun 86

[Text] Hefei, June 6 (XINHUA) -- A system of town and village planning has been introduced in Anhui Province to protect valuable farmland which has been vanishing under runaway housing development. Under a provincial blueprint, planners estimate they can save 18,000 hectares of farmland by the year 2000 by encouraging the building of more compact villages and towns. At present, there is only one hectare of farmland for every 12.5 Anhui residents.

As the rural economy has grown and peasants' incomes have soared, many families have built bigger homes on valuable arable land. Up to half a million families a year have been moving into new homes over the past three years, and planners feared that without proper controls, farmland could shrink to less than one hectare for every 15 inhabitants by the turn of the century.

The new regulations, drawn up over the past few years, are aimed at achieving a more rational layout of villages and towns by reducing spaces between houses and improving housing design, said an official of Anhui's urban and rural environmental protection department. Peasants must now acquire two planning documents, which regulate the area, height and design of housing, before they can build new homes.

The planning reforms have so far been introduced to 3,000 towns and 31,000 villages -- a big majority of the total, said the official. Local authorities have also designed towns and villages tailor-made for the pursuit of specialized lines of business, such as garment-manufacturing and cash-crop cultivation.

XINHUA RIBAO Urges Supporting Key State Projects

OW040607 Nanjing XINHUA RIBAO in Chinese 21 May 86 p 1

[XINHUA RIBAO commentator's article: "Adopt an Overall Point of View, Ensure the Completion of Key Construction Projects"]

[Excerpts] Over the past few years, our province has done a lot in supporting key state construction projects. In particular, after carrying out a series of reforms, our province has attained some good results and made significant contributions. However, not everyone understands the signifance of supporting key construction projects. There are actual problems in providing logistics support to key construction projects such as land requisition and equipment supply. From now on, we must continue to raise our awareness and work hard to make improvements.

Some comrades, particularly in individual localities, have placed key state construction projects against local construction projects, regarding support for key state construction projects as an "extra burden for them". This is an important reason why the work of supporting key state construction projects has not been carried out well.

The state has assigned 13 key construction projects to our province that must be completed and put into operation during the "Seventh 5-Year Plan." Total investment in these 13 projects will reach 14 billion yuan. All these projects are important to the development of the national economy; they are projects aimed at developing energy resources, raw and semifinished materials and transportation and communication.

They have great significance in promoting the national economy. Let us take the example of the Yangzi Ethylene Plant and the Yizheng Chemical Fiber Plant. After these two plants are completed, the output value of their products will be worth more than 12 billion yuang and their profits and tax payments may reach 3.8 billion yuan. The profits and tax payments of the Yangzi Ethylene Plant alone may reach more than 6 million yuan a day. At the same time, both ethylene and chemical fibers are important industrial materials. They have many uses.

Therefore, to do a good job in providing logistics support to these two construction projects and shortening their construction period has great economic and political significance. Various localities must regard their support to key state construction projects as a glorious political task instead of as a burden. Their support will affect the future of socialist modernization. It conforms to the basic interests of all the people throughout the country.

There is another viewpoint. Some people think that after key construction projects are completed, "profits will be delivered to the state, and products will be taken away; not much is left to the local people." Therefore, they show little enthusiasm in supporting key state construction projects. This viewpoint is shortsighted.

After the 13 key state construction projects are completed in Jiangsu, they will be worth 10 billion yuan in fixed assets. Jiangsu's coal production capacity will increase by 3.3 million tons;, power generation by 2.1 million kilowatts; cargo handling at major ports by 18.6 million tons; chemical fiber production by 493,000 tons; ethylene production by 300,000 tons; soda ash production by 600,000 tons; and north-south coal shipping through the Beijing-Hangzhou Canal by 10 million tons. In short, various localities will reap tremendous benefits by supporting the state in developing key construction projects. Such support will have great significance in promoting Jiangsu's economy.

The provincial and city organs should realize the importance of vigorously supporting the key construction projects and setting a good example in this respect. Various departments must go to various construction sites and try their best to help solve construction problems and do a still better job in supporting key construction projects in the province.

SHEN DAREN ADDRESSES JIANGSU CPC COMMITTEE MEETING

OW050157 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 2 Jun 86

[Text] The Jiangsu Provincial CPC Committee yesterday afternoon called a meeting of department, commission, office, and bureau cadres who are also party members. The meeting made arrangements for the rectification of party style and the improvement of office work style this year.

At this meeting, Comrade Xing Bai relayed the guidelines of two recent party rectification forums sponsored by the Central Commission for Guiding Party Rectification.

In his speech at the meeting, Comrade Shen Daren said: We have made a good start and certain achievements in rectifying party style and office work style in provincial-level organizations. The six unhealthy tendencies pointed out in Document No 57, issued by the General Office of the Central CPC Committee, have been basically checked, and some problems have been corrected. A number of major or serious cases have been investigated and handled.

A system of responsibilty for the rectification of party style has been instituted in most units, which now grasp their professional work and the rectification of party style simultaneously. Through education in party style, spirit, and discipline, most party members have further fostered the sense of serving the people wholeheartedly, and have improved their work style and efficiency.

He pointed out: There are still problems in the rectification of party style in provincial-level organizations; a small number of units and individuals have made new mistakes while correcting old ones. Some units have not really attached great importance to examining and overcoming ideological individualism, political liberalism and bureaucracy in work.

Comrade Shen Daren set the following four requirements for the next-stage rectification of party style and office work style in provincial-level organizations:

1. It is necessary to enhance our understanding, unify our thinking, and examine and sum up the situation in the rectification of party style and office work style in our own units, and to effectively solve problems in these respects.

2. Conscientious efforts should be made to continue the investigation and handling of major or serious cases. Cases involving leading cadres should be thoroughly investigated and seriously dealt with. Attention should be paid to summing up and commending typical cases in which people have had the courage to combat serious unhealthy tendencies and check unhealthy ones.

3. Vigorous efforts should be made to correct unhealthy tendencies in trades and professions. Responsible comrades of various units should go to basic units to listen to the opinions of the masses there, and should also thoroughly study and investigate the manifestations and malpractices of seeking personal gain through trade or profession, and to adopt measures to rectify such unhealthy tendencies. To make the key points stand out, it is first necessary to check unhealthy tandencies among leading cadres in various trades and professions.

4. It is necessary to uphold party spirit and principles in rectifying office work style and strenthening discipline. This is an important task to be carried out in all provincial-level organizations this year. In rectifying office work style and strengthening discipline, party organizations in various units should do a good job in educating party members in party spirit and principles. The stress on rectifying office work style and stengthening discipline should be put on leading bodies of various departments, commissions, offices, bureaus and leading cadres who are also party members at or above the departmental level. This work should be started from the leading bodies and cadres.

At the meeting, comrades of the provincial commodities inspection bureau and the provincial department of state security made reports on the recent rectification of party style in their units.

SHANDONG HOLDS CONFERENCE ON RURAL PARTY RECTIFICATION

SK040515 Jinan Shandong Provincial Service in Mandarin 2200 GMT 2 Jun 86

[Text] At a conference on party rectification work attended by secretaries of city and prefectural CPC committees throughout the province, which concluded on 2 June, Lu Maozeng, deputy secretary of the provincial CPC Committee, called for efforts to comprehensively fulfill the tasks for the party rectification at the town and township level from the beginning to the end, make good preparations for the party rectification at the village level, and further consolidate and develop the party rectification achievements.

Comrade Lu Maozeng said: Our province's party rectification at the town and township level was started in January this year, and was basically completed at the end of May. Reviewing the party rectification, we can say that the rural party rectification throughout the province had a good beginning, and developed soundly, and its results are fairly remarkable. However, we should remain clear-headed to note that the development in party rectification at the town and township level has been very uneven, and many problems still remain to be solved. In order to fulfill the tasks for the party rectification at the town and township level comprehensively and successfully, from the beginning through to the end, and set a good example for the party rectification at the village level to be started in an all-round manner next winter, we should continue to grasp the four aspects of work at present.

First, we should conscientiously do a good job in summing up, checking, and approving the work. In particular, with regard to the units which have done a poor job in solving problems, we should find out the specific reasons, give specific guidance, and conscientiously carry out remedial measures to make up for whatever they lack. Units which fail to reach the party rectification standards should not declare the party rectification completed. All county, city, and district CPC committees should conduct strict checks.

Second, we should increase the work concerning organizational measures. At present when adopting organizational measures, we should conscientiously guard against and overcome the tendency of over-leniency, resolutely eliminate the interference of factionalism and the practice of interceding for others, decide the nature of problems and solve them in a serious manner, and persistently run the party strictly.

Third, we should continue to implement the measures for rectification and correction, and win the trust of the masses with the concrete deeds of thorough party rectification and correction of mistakes.

Fourth, we should study and clarify the policy bounds with regard to the party rectification of township enterprises, and further stimulate their sound development in production and reform.

Comrade Lu Maozeng called for conscientious and good preparations for party rectification at the village level. He said: Party rectification at the village level will be started in all-round manner next winter. This is a very arduous task. The key to whether we will succeed in party rectification at the village level lies in whether we have made conscientious preparations.

He urged that before village-level party rectification, it is necessary to lay stress on six aspects of work.

First, we should thoroughly investigate and ascertain the situation of village-level party organizations and party members, and successfully sum up the village-level party rectification at pilot units.

Second, we should readjust and replenish the leading bodies of the party branches which have difficulty in leading the rural party rectification. We should increase readjustment of the party branch leaders who have serious problems, and the leading bodies which are not sound, and even experiencing stagnation of partial stagnation in their work.

Third, we should consolidate and improve the rural financial system. Before the village-level party rectification, all localities should extensively straighten out their rural finances. They should implement party policies strictly, emphasize education and self-inspection, and refrain from letting everybody pass the checks. They should particularly check and straighten out the financial accounts after the enforcement of the responsibility system, and the serious problems of power abuse for selfish economic benefit committed by party members and cadres.

Fourth, we should do a good job in transferring and training the backbone personnel participating in the village-level party rectification.

Fifth, we should define the plans for the village-level party rectification, and compile the teaching materials for the education of party members.

Sixth, we should continue to penetratingly study the policy bounds that should be clarified when carrying out the rural party rectification. We should particularly pay attention to three aspects. The first is that we should adhere to the principle of seeking truth from facts, and refrain from oversimplification and uniformity in doing work. The second is that we should always pay attention to protecting and boosting the enthusiasm for reform of grass-roots party members and cadres. The third is that we should be prudent in dealing with the issues on reform for which explorations are being made, and refrain from making conclusions hastily. With respect to the issues which we are not sure of, we should continue to explore and study them.

Comrade Lu Maozeng stressed the need to further consolidate and develop the party rectification achievements. He said: All units that have carried out party rectification, including the organs, enterprises, and establishment at and above the county level, schools, towns and townships, should further consolidate and develop the party rectification achievements. They should intensify the education on party spirit, continue straightening out the work styles of organs, step up the investigations and handling of major and serious cases, further improve the work styles of various trades, perfect various rules and regulations, in particular the systems concerning inner-party life, strengthen theoretical study, and guarantee the consolidation and development of the party rectification achievements.

The conference opened on 30 May in Jinan. During the conference, Yang Xingfu, Standing Committee member of the provincial CPC Committee, relayed the guidelines of the recent forum on party rectification sponsored by the Central Party Rectification Guidance Committee and attended by the CPC Committee secretaries of the 11 provinces and municipallties in north China, and Comrade Bo Yibo's important speech.

PLA LEADERS ATTEND ZHEJIANG FILE MANAGEMENT MEETING

OW021427 Hangzhou ZHEJIANG RIBAO in Chinese 26 May 86 p 1

[Text] The Nanjing Military Region held a file management meeting at the Zhejiang Military District from 19 to 24 May. Fu Kuqing, political commissar of the Nanjing Military Region, addressed the meeting. Other speakers included Li Qing, commander of the Zhejiang Military District; Liu Xinzeng, political commissar of the Zhejiang Military District; and Wang Wenhui, deputy commander of the military district. The meeting thoroughly studied the issue of accumulating data on files to serve national defense and economic dvelopment. It also formulated a plan for improving file management during the Seventh 5-Year Plan. The primary objective of the plan is to build a comprehensive, rational, and scientific system of archives that can effectively serve Army and militia building and economic development. The meeting affirmed the experience of the Zhejiang Military District in practicing a unified management of document files, scientific and technological data, and special files.

GUANGDONG ECONOMISTS MARK 'DOUBLE HUNDRED' ANNIVERSARY

HK060147 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 5 Jun 86

[Text] According to NANFANG RIBAO, the provincial economics association held a forum yesterday to mark the 30th anniversary of the double hundred policy. The central topic of the forum was the creation of an excellent atmosphere of relaxation, concord, and harmony so as to promote prosperity in the social sciences.

The participating experts and scholars held that implementing the policy of letting a hundred flowers blossom and a hundred schools of thought contend is the fundamental condition for the prosperity of socialist literature and art and also for the prosperity of the social sciences and the development of Marxism. At present, theeoretical research still lags behind the pace of reform and opening up. Many problems arising in reform and many experiences created by the masses urgently await scientific explanations. To advocate the spirit of bold exploration to promote the reforms, it is essential to have an excellent environment of relaxation, concord, and harmony. Only thus can people's ideological misgivings be dispelled and their boldness in contention be enhanced.

The participating experts and scholars also put forward many suggestions on how to create an excellent environment of relaxation.

GUANGDONG MEETING STRESSES IMPROVING PARTY STYLE

HK060253 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 5 Jun 86

[Excerpts] The provincial CPC Committee held a gathering of the provincial organs this morning to further straighten out party style, implement in depth the CPC Central Committee's instructions on straightening out party style, tidy up discipline, and carry out in depth the work of straightening out party style in the provincial organs. Ye Xuanping, deputy secretary of the provincial CPC Committee and governor, presided. Two typical items of materials on party style problems were read out.

Provincial CPC Committee Secretary Lin Ruo made a speech. He said: The provincial organs have done a lot of work this year in straingtening out party style, setting a very good example for the province. This fully shows that the healthy forces always predominate among our party member and cadres. We will certainly be able to solve a number of current problems in party style.

Comrade Lin Ruo gave a number of views on carrying out in greater depth the work of straightening out party style in the provincial organs: 1) Seriously study the central instructions on straightening out party style and enhance awareness of improving party style. 2) Further expose and correct unhealthy trends and get a good grasp of investigating and handling major and imprrtant cases. 3) Do a good job in tidying up discipline. 4) Stress the policies and be sure to protect the great majority of the cadres and people's enthusiasm for reform.

GUANGDONG: TONGZA SATELLITE TELEVISION RECEPTION

HK040831 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 3 Jun 86

[Text] According to a report of the Hainan People's Radio Station, the Tongze ground satellite television reception station was made available to users on 25 May.

Television viewers of all nationalities in the Tongza area can now directly receive the programs of the Central Television Station that very day. In the past, the Tongze area could receive the news hookup of the Central Television Station every third day.

In March last year, the Hainan Li-Miao Autonomous Prefectural People's Government appropriated 160,000 yuan for preparations for building a ground satellite television reception station. Three research institutes under the Ministry of Electronics Industry sent engineers and technicians to assist with construction. It took only 2 months or so to complete construction. The reception of television programs by this reception station is good and pictures and sound are clear.

HENAN RADIO REPORTS LETTER ON WOES OF REFORMER

HK050337 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 4 Jun 86

[Text] Excerpts of a letter from Kaifeng Electric Motor Plant Manager (Zheng Zhiyong) to Henan Governor He Zhukang are published in the 3 June JINGJI RIBAO under the heading "Why Are Reformers Forbidden To Make Mistakes?"

The letter reads: Governor He Zhukang: Are reformers allowed to make mistakes? Some people allow it, others do not. Some people do not even allow reformers to correct mistakes. Why is this?

We took a big stride forward in reform in November 1984, when we worked out a 3-year scheme for reform in the Kaifeng Electric Motor Plant. As a result of the practice of reform in 1985, our plant's economic and technical index performance in its trade rose from 32d place to 16th in the whole country. We far surpassed the goal for the first year set by our 3-year reform scheme. In particular, in economic results, the plant made a loss of 710,000 yuan in 1981 but recorded a profit of 650,000 yuan in 1984 and nearly 2 million yuan in 1985.

Opinion in society was divided after the plant launched its reforms. Some nodded assent, others shook their heads. One investigation and work group after another came into the plant. As a result of the reforms, the electric motor plant leapt into first place in comprehensive economic results in Kaifeng's heavy industry system in 1985. The city government issued certificates to the plant for economic results, technological transformation, and production safety. The city heavy industry bureau recommended me to the city authorities as a model worker. On 16 April, certain leaders negated the view of the heavy industry bureau, on the grounds that it was controversial. However, leaders of the city CPC Committee pointed out that there was no problem of principle and declared that grass-roots views should not be lightly negated. After that, I was investigated on 25 April. The investigation is now complete, and four controversial issues have been clarified. However, I still do not know if I can be given the model worker title.

We acknowledge that mistakes have been made in reform. Although we basically corrected these mistakes in the second half of 1985, some people still refused to let them go. I made a total of seven self-examinations on this question to leaders at various levels, to the workers' congress, and when conducting comparison and examination in the course of party rectification. These people still refused to let the matter rest. With grief and indignation, I said to the city CPC Committee leaders: Will it do if I make a self-examination in RENMIN RIBAO? Why am I not even allowed to correct mistakes? Now we cannot achieve anything we want, yet we cannot bear to give up. I appeal to the provincial leadership for support.

JINGJI RIBAO carries an editorial note on this letter. It says: (Zheng Zhiyong), manager of the Kaifeng Electric Motor Plant in Henan, wrote a letter to Governor He Zhukang on 5 May, raising the question of whether reformers are allowed to make mistakes. Governor He Zhukang made the following comment on the letter on 26 May: Take remedial measures as soon as possible to support the pilot project work in the plant manager responsibility system. We must look at the main current in the work of reformers, and analyze and help to solve problems that arise in reform. Even if reformers make mistakes, we should not make a big fuss. It is all right if the mistakes are corrected. It is even better if the reformers can correct the mistakes themselves. We must encourage the spirit of pioneering and innovation, and should not insist on perfection in the reformers. We must further emancipate our minds, devise more methods of getting things done, and seriously overcome the defect of lack of cleverness.

JINGJI RIBAO also frontpages a commentator's article entitled "We Should Not Demand Perfection in Reformers." It also prints an investigation report written by reporters of HENAN RIBAO, ZHONGGUO XINXI BAO [CHINA INFORMATION JOURNAL], and JHINGJI RIBAO.

Commentary Urges Support for Reformers

HK050339 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 4 Jun 86

[Station commentary: "Support and Protect Reformers]

[Excerpts] The emergence of reformers is an important hallmark of the vigorous development of our cause. However, precisely when these reformers are boldly forging ahead in exploration and advance, unnecessary difficulties are created for them. Some people are accustomed to using a concave lens to view the achievements in reform and a magnifying glass to look at the mistakes, or else they demand perfection, saying that the reformers are wrong in this and no good at that; or else they spread slanders and deliberately throw dirty water at the reformers. In some places and departments, the reformers suffer a life of frustration amid difficult surroundings.

Kaifeng Electric Motor Plant Manager (Zheng Zhiyong's) letter to Governor He Zhukang precisely deals with this wretched situation of being unable to achieve anything but not bearing to give up. This is a problem currently meriting our attention.

Of course, like any new thing, reformers will have shortcomings and defects, and some will make mistakes of various kinds in the course of reform. However, the most valuable thing about the reformers is that they are engaged in innovation and practical work and are working creatively.

Why should such a big fuss be made over the mistakes of reformers in the great project of carrying out economic structural reform? It is worth noting what causes this social phenomenon. If nobody does any work, it seems that everyone can live in peace and everything is fine. But if somebody stands out from the rest and achieve successes, all kinds of reproaches and censures will be promptly raised. The reason for this is very simple: Trees laden with rich fruit are most prone to damage in rough weather. Reformers stand out from the rest, so they are sealed off and blown down. Moreover, reform will encroach on the vital interests of certain people; thus the reform becomes still more a target for attack.

The key here lies in the leaders at all levels taking a correct view of reformers. They should not be affected by bias or led astray by slanders and rumors. They must unswervingly support and protect the reformers with a firm and clear-cut stand. They must also be on sufficient alert against people who lack work ability but are skilled in framing others. They must certainly not allow those total incompetents to pose as hard-workers.

HENAN: ZHENGZHOU NOTES 'GREAT RESISTANCE TO REFORM'

HK060125 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 5 Jun 86

[Excerpt] The Zhengzhou City CPC Committee and people's government have made a decision on perserving in reform and continuing to promote the plant manager responsibility system: All enterprises that have obtained permission to practice this system must persevere in it; they can only advance, and must not retreat. These enterprises must also practice the system of responsibility for targets attained during a manager's term of office. The labor and personnel departments must reserve a number of promotion slots as rewards for plant managers who fulfill their targets well. Enterprises that have not yet introduced the manager responsibility system must promptly ask for permission to do so when the conditions are ready.

This was learned by our reporter from a press briefing held by the city CPC Committee and government spoke in detail on the situation in economic structural reform, industrial production, urban construction, and market arrangements this year.

At present the reforms in this city are at a stage of replacement of old systems by new. There is very great resistance to reform from leftist thinking and the force of old habits.

The city CPC Committee and government have taken a firm and clear-cut attitude and adopted effective measures to support and protect the reformers, so as to stimulate the smooth progress of reform.

In urban construction, the city has decided on 10 major projects for this year. This is the biggest year for such projects since the founding of the state.

HENAN ISSUES CIRCULAR ON ANTILARCENY STRUGGLE

HK030416 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 30 May 86

[Text] Last night, the provincial court, procuratorate, public security department, and judicial department jointly issued circular No 3 on severely cracking down on larceny.

Circular No 3 says: The provincial CPC Committee and provincial government have recently pointed out that with a view to protecting the smooth progress of reform of the economic structure, promoting a fundamental turn for the better in social order and the general mood of society, and educating and redeeming more people who make mistakes and commit crimes, it is necessary to continuously wage the antilarceny struggle in depth.

Circular No 3 extends the originally specified period for surrendering oneself to the police or judicial department one more month.

All people who commit larceny, harbor or handle stolen goods, or commit other crimes and who surrender themselves to the police or judicial department before 30 June will be leniently dealt with in accordance with the law. People who have been sentenced to reform or reeducation through labor or who have been in custody and who confess a crime on their own initiative which has not been discovered, will generally not be punished. Regarding those who have rendered meritorious service, their sentence can be commuted, they can be released on parole, or they can be released from reeducation through labor ahead of the specified term of imprisonment. As for those who do not surrender themselves to the police or judicial department and confess their crime, who conclude an agreement between them not to give each other away, who divert or destroy their criminal evidence, who threaten or retaliate upon the informants, or who continue to commit crimes, once their cases are investigated and established, they will surely be severely punished in accordance with the law.

Circular No 3 points out: All cadres and people who are bold in struggling against crime, who actively inform and expose clues to crime, who seize criminals and hand them over to the public security authorities, and who persuade criminals to surrender themselves to the police or judicial department, including the relatives of the criminals, will be protected by public security and political and legal organs and commended and rewarded as these organs see fit. Those who shield and harbor criminals will be punished in accordance with the law.

Circular No 3 points out: All factories, mines, shops, organs, schools, and service trades must put their system of financial management on a sound basis and carry out security measures. They must abide by the laws and regulations on social order, seriously protect the public property, and uphold their internal order.

SHENZHEN ENCOURAGES LEARNING OF ENGLISH LANGUAGE

OW060321 Beijing XINHUA in English 0028 GMT 6 Jun 86

[Text] Shenzhen, June 6 (XINHUA) -- Learning English can be the key to a good job in the Shenzhen Special Economic Zone in southern China -- as thousands of local people have realized. City officials estimate that 60,000 -- or 15 percent of Shenzhen's 400,000 inhabitants have received some kind of training in the English language.

One latest encouragement to learn English is a city circular which stipulated that from 1991, all people under the age of 45 sent to study or work in Hong Kong, Macao or foreign countries must first pass an English examination. Ordinary delegations sent abroad must be able to survive without an interpreter, according to the circular issued last month.

The circular adds that the departments of foreign affairs, customs and foreign trade, and hotels, tourism agencies and banks must test all job applicants on their knowledge of basic English. Even before the circular was issued, residents of the city, which borders Hong Kong, realized the importance of learning English.

The opening of China's doors to foreign trade and investment has resulted in the mushrooming of Sino-foreign joint ventures and tourist facilities. As a result, English classes and speaking contests have been organized in different enterprises, schools and neighborhoods. Hong Kong teachers have been invited to run classes. City authorities have set up an English center at Shenzhen University to promote knowledge of the language. Students are split into 12 classes based on their standard of English.

Some workers have organized English corners at workplaces to practice oral English, and TV programs with English narration are as popular.

TAIWAN'S EFFORTS TO INCREASE TRADE WITH EUROPE ASSESSED

HK051011 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 22, 2 Jun 86 p 24

[Article by Song Jichao: "The 'Year of Action Against Europe' -- A New Trend in Taiwan's Trade With Europe"]

[Text] The European market has always been regarded as an important area for international import, export, and reexport trade. Taiwan manufacturers are eager to obtain a position there. Taking advantage of the favorable situation in which the European currencies have continuously strengthened against the U.S. dollar and the new Taiwan dollar has dropped with the U.S. dollar, Taiwan has launched a new offensive -- the "Year of action against Europe" -- in its trade with Europe.

An official of the Taiwan trade association revealed that the central task in the "Year of action against Europe" is to open wide Taiwan's economic and trade door to Europe to strengthen bilateral economic and trade relations, to disperse its exports to different markets, and to reduce its trade surplus with the United States as well as its reliance on that country for its exports.

Taiwan's "Year of action against Europe" refers to its 1987 fiscal year, which will start with the second half of this year. During this period, the measures Taiwan will take include: establishing economic offices and economic and trade ties in southern Europe; helping manufacturers to set up marketing centers in Europe to increase the sales of Taiwan's products in the European market; investigating, studying, and analyzing the situation in the European market; and requesting the European market survey organization to study the production of Taiwan products suited to the European market. In addition, Taiwan will reduce exports to the United States with the aim of concentrating them on the European market.

In trade development activities, Taiwan will hold exhibitions of its products on two occasions in Europe this year, apart from extensively participating in various types of professional and comprehensive exhibitions. Taiwan economic and trade authorities have also planned to enrich the manufacturers' service system, train personnel for European trade negotiations, and increase overseas propaganda in order to change its image as the "kingdom of imitation." Moreover, Taiwan is straightening out its foreign trade relations through purchases and through canvassing activities. For example, its trade delegation to the Netherlands has bought products worth $55 million; its trade delegation to Belgium has asked Belgium to help remove trade obstacles between the European market and Taiwan; and its trade delegation to Sweden has requested Sweden to send an industrial and commercial delegation to Taiwan.

Such activities have produced results. According to a report in Taiwan's ECONOMIC DAILY, the (Pica) [Bi ka 3024 0595] steel cord company of Belgium is ready to cooperate with the Hwa Hsin and Li Hwa companies of Taiwan in making an investment of 300 million new Taiwan dollars in the production of steel cord in Taiwan; AKEO, the largest chemical corporation in the Netherlands, intends to build a factory producing heavy oil desulfurization equipment in Taiwan; a British chemical corporation has given Taiwan priority in its plan to build a chemical plant with an investment of $100 million; and Taiwan is ready to set up a goods distribution center in the Netherlands for the purpose of expanding its trade with various European countries.

The European Common Market is composed of 12 member countries. Last year, its foreign trade stood at 22 percent of the world's total. It is the world's largest trade group and the world's largest consumer market as well. But last year, Taiwan's exports to Europe (including the 12 countries of the Common Market) accounted for only 10 percent of its total trade, far lower than its exports to the United States (which accounted for 48.1 percent).

Taiwan's trade with Europe over the past 7 years has been in either a state of depression or stagnation, but resulted in a turn for the better since the beginning of this year as a result of the change in exchange rates. Statistics suggest that in the first 4 months of this year, Taiwan's exports to Europe amounted to $1.29 billion, a 31 percent increase over the same period in 1985. Some Taiwan manufacturers who do business with Europe have received purchase orders earmarked for delivery in October.

A prominent characteristic of Taiwan's trade with Europe in the first 4 months of this year was the large increase in its trade with the 18 main export markets in Europe. The increases in its trade with Spain and France were the largest, at 72 and 67 percent, respectively; the smallest increase, registered in its exports to Sweden, was still 17 percent. Meanwhile, Europe was able to maintain a marked increase of 20 percent in its exports to Taiwan.

The present situation in Taiwan's trade with Europe is favorable. However, as Taiwan is becoming increasingly isolated in the international community, its manufacturers have many misgivings in exploring new markets without diplomatic protection. Therefore, it should not be too optimistic about the "results to be achieved" in the "Year of action against Europe," which is aimed at opening wide its economic and trade door to Europe.

FUJIAN FISHERMEN RESCUE TAIWAN COUNTERPARTS

OW041419 Beijing in Mandarin to Taiwan 1500 GMT 3 Jun 86

[Text] According to a report from Fuzhou, the Taiwan fishing boat (Zhang Fa) recently went aground and sank after an engine breakdown set it adrift at sea. Its four crew members, (Qiu Shiqi), (Wu Yi), (Qiu Zhengyi), and (Zhang Wancai), were found and rescued by some fishermen from Dongshan County of Fujian Province. They have been properly accommodated with food and lodging at the Taiwan compatriots reception station in Dongshan.

At present, they have recovered their health. At their request, the Fujian provincial Taiwan compatriots reception station is helping them make necessary arrangements to return to Taiwan via Hong Kong and to be reunited with their families in the near future.

TAIWAN TO RECONSIDER CONSTRUCTING ARGENTINE FERTILIZER PLANT

OW052101 Taipei CNA in English 1459 GMT 5 Jun 86

[Text] Taipei, June 5 (CNA) - The Ministry of Economic Affairs [MOES] of the Republic of China [ROC] is reevaluating the feasibility of the Taiwan Fertilizer Co's project to invest and set up a fertilizer plant in Argentina, a ministry spokesman said Thursday. He said the ministry received a report from Hsu Pin, ROC trade representative in Argentina, Thursday saying that he has doubts about the Argentine authorities' claim that the ROC fishing vessel, Chiann Der No. 3, was operating within Argentina's 200 mile exclusive economic zone when it was attacked by an Argentine gunboat May 28. The spokesman noted that negotiations between two countries have to be conducted in a calm manner with flexibility and that retaliatory measures should not be taken hastily.

He said Taiwan Fertilizer had planned to invest in Argentina but the project was shelved after evaluations showed that the economic efficiency of the project would be low while its investment risk would be too high. Recently, he said, Argentina has again expressed the intention to invite Taiwan Fertilizer to make investment there. The spokesman stressed that the MOEA is carefully reevaluating the investment project and an affairmative decision would be made only when conditions most favorable to the Republic of China are achieved, especially at a time when the Chiann Der incident is fresh in everyone's mind.

COLOMBIAN DELEGATION STUDIES TAIWAN ECONOMIC POLICIES

OW050357 Taipei CNA in English 0239 GMT 5 Jun 86

[Text] Taipei, June 4 (CNA) -- Miguel Pineto Vital, president of the House of Representatives of the Republic of Colombia, said Wednesday that the Republic of China [ROC] has set an example for Latin American nations by braving the worldwide economic recession and making outstanding achievements. Pineto, who is leading a 12-member congressional delegation of Colombia to visit the ROC, made the remarks in an interview with the CNA reporter.

The delegation arrived in Taipei June 1 for a six day visit. In the past few days, they called at the National Assembly, the Legislative Yuan, the Control Yuan and the Ministry of Foreign Affairs. They also went to the Government Information Office and the Ministry of Economic Affairs to hear briefings on the nation's political and economic situation.

Pineto said in the interview that the delegation, composed by six congressmen and their wives, is here mainly to study how the ROC is able to tide over the difficulty to maintain stable economic growth in the midst of worldwide economic stagnacy. He pointed out that after several says of their visit here, they found that the various measures the ROC Government has adopted to cope with the stagnant economic situation, including the liberalization and internationalization of its foreign trade, are worthwhile for Colombia to learn from. The Colombia Congress leader also highly praised the working spirit of the people in the ROC and their cooperative attitude toward the government. The other five congressmen in the delegation are David Turbay, Joaquin Fernandez, Jurge Ariel Infante, Francisco Jattin and Victor Tagon. The delegation is scheduled to leave Thursday.

NONPARTISAN DENIES BREAKDOWN IN TALKS WITH KMT

OW050351 Taipei CNA in English 0259 GMT 5 Jun 86

[Text] Taipei, June 4 (CNA) -- Taipei City Councilman Hsieh Chang-ting, who is one of the seven nonpartisans participating in two rounds of communication meeting with the ruling Kuomintang [KMT] recently, announced Wednesday that the third such meet slated for June 7, to be hosted by the nonpartisans, would be postponed. Hsieh said that the decision was made after an internal meeting among the eight nonpartisan leaders for the third meeting with the KMT.

Hsieh said that the sentencing of Huang Tien-fu, one of the eight nonpartisan members, to an eight-month term by the Taiwan High Court in a libel lawsuit and the absence of Prof. Hu Fo, one of the mediators in the talks, are the main reasons for the postponement. Hu went abroad recently. Asked when the dialogue will be resumed, Hsieh said the non partisans would decide on the issue after Hu's return here. He stressed that the postponement doesn't mean the breakdown of the communication meeting with the KMT.

CENTRAL BANK PREDICTS CURRENCY APPRECIATION

OW060354 Taipei CNA in English 0317 GMT 6 Jun 86

[Text] Taipei, June 6 (CNA) -- The Central Bank of China Governor Chang Chi-cheng predicted Thursday the trend of appreciation for the new Taiwan dollar rather than devaluation in the months ahead. To maintain the order of the domestic foreign exchange market, he said he prefers a moderate fluctuation of the new Taiwan dollar in its exchange rate against the U.S. dollar according to market demands.

Chang made the remarks while answering interpellations by Legislators Li Yu-hsiang, Kio Lin-yung and Huang Chu-wen at the Legislative Yuan's budget screening meeting. They asked Chang about the possibility that the new Taiwan dollar will appreciate to a rate of 35:1 from the present 38:1 against the greenback as is rumored. Whether the bank's recent intervention in the foreign exchange market to ease large drop of the American money by buying as much as U.S. dlrs 240 million foreign exchange will cause instability of the domestic foreign exchange market, they queried.

Chang said that the new Taiwan dollar's exchange rate is affected by many factors and is [not] to easy to forecast. However, he noted that as this nation enjoys a trade surplus and holds large foreign exchange reserves, the new Taiwan dollar will mostly rise in its value against the U.S. dollar.

To ease a drastic appreciation of the new Taiwan dollar, relieving pressure on enterprises, the bank must intervene in the foreign exchange market, he said.

As the development of the world economy is still unstable, a gradual rise of the new Taiwan dollar will make businessmen feel easier, the governor said, adding, he is not sure whether a rate of 35:1 for the new Taiwan dollar against the greenback is the most appropriate level of appreciation.

LIU ZAIFU ANSWERS LITERARY CRITIC ON HUMANISM THEORY

HK050651 Hong Kong MING PAO in Chinese 3 Jun 86 p 7

[Special dispatch from Beijing by Keng Chun: "Liu Zaifu Strongly Advocates Exploration and Criticizes Chen Yong for Imposing a Case Against Him"]

[Text] (Beijing, 2 June) -- Liu Zaifu, director of the Institute of Literature of the Chinese Academy of Social Sciences has become a key figure in overseas reports since he was criticized by name for his theory on literature and art by Chen Yong in the journal HONGQI. It is called the "Liu Zaifu Incident," and has given rise to the concern about him on the part of the literature and art circles at home and abroad. This is, in fact, a confrontation between new and old concepts in literature and art theory.

In Beijing recently, this reporter visited Liu Zaifu, who had just returned from Shanghai after attending a symposium on cultural development strategy. In a long interview, lasting almost 3 hours, this reporter gained a more detailed understanding of Liu's ideas on literature, philosophical concepts, and his views on China's literature and art circles. (Editor's note: Liu's opinions on China's cultural problems and his evaluation of China's present cultural conditions will be published separately as two special topics.)

Liu Zaifu not only has the exquisite feelings of a man of letters, but also the meticulous speculation of a philosopher. He has his own view on the debate concerning Marxism going on in China. According to Liu Zaifu, China's Marxism has, in the past 3 decades and more overcome the gravest challenge from ultra-leftism waged by Lin Biao and Jiang Qing. That challenge was very dangerous, and almost turned the party and the state topsy-turvy. Today, the times once again challenge Marxism. The content of this challenge being: Is Marxism capable of maintaining its vitality and answering the various questions posed by contemporary realities? Our answer should be positive.

He said: If Marxism is to answer the questions posed by our times, and fulfill the historical mission of the times, it is necessary to rely on arduous practice, bold exploration and the blazing of new trails, as well as linking Marxism with the practice of reforms, and not by relying on going by the book, which appears to be the most effort-saving. Only when China becomes powerful and strong will it be possible for Marxism to win its honor. For this, China must make progress. When Deng Xiaoping makes such an important proposition as "one country, two systems," he is answering a question arising from contemporary realities, with Marxism.

Since Chen Yong criticized Liu Zaifu by name in his HONGQI article, Liu has not yet given him a reply. Why?

To this question, Liu replied: I personally welcome criticism regarding myself, but of course, such criticism should be well-intended, scientific, and on an equal personality footing. Lessons in the history of science tell us that following the birth of a new theory or doctrine, it was often regarded as a heresy, but later, it often became a theoretical pattern, and finally, superstitious dogma. If theory is to make progress, criticism should be welcomed, including criticism by later generations as well as by one's contemporaries.

Howver, it is regrettable that Chen Yong's article cannot be regarded as scientific criticism. Science has its own criteria; first, science cannot set up an "absolutely correct" premise and cannot regard itself as having mastered the final truth, and, naturally, it should not claim to be Marxist.

Who has eventually mastered truth should be tested by practice. Practice is not something empirical, but repeated scientific experiments. Before something has undergone experiments and been seriously explored, it is already pronounced as having a grave effect on "Marxism's fate in China." This violates the law governing the development of science.

Liu Zaifu said: Chen Yong's article also reflected the fact the he lacks a concept of the equality of personalities. What was most wanting in China's ancient feudal culture was exactly such a concept. Man is a moral animal, but the key is the need for a criterion to judge the value of moral behavior. Such a criterion is precisely the equality of personalities, namely, showing full respect to the dignity and value of man. Lacking such criterion, the brutality of "Guo Ju burying his son alive" [a legend from the Jin Dynasty] became an act of filial piety, and "Zhang Xun slaughtering his concubine" [a legend from the Tang Dynasty] became an act of loyalty.

During the Cultural Revolution, it was not enough that some people were overthrown, 10,000 feet had to trample them. However such brutality was said to be "loyal to Chairman Mao, the party and Mao Zedong Thought." That was sheer absurdity. The lack of a concept of equality of personalities has resulted in a morbid psychology with some people gravely trampling on and insulting others without knowing it. On the contrary, they believe it is moving, tragic and of high moral value. That is even sadder. Chen Yong's article censured me for "forgetting my class origins," which is a terrible political labelling.

Liu Zaifu said: It is precisely because of this that I refuse to write articles on a hundred schools of thought contending for HONGQI, but it does not mean that I shall refrain from participating in the contention regarding the hundred schools of thought in my self-defense, against Chen Yong's false charges. I believe that people will begin to discuss Chen Yong's criticisms in other newspapers and journals. At the same time I will intensify my own research in order to answer Chen Yong's criticism with positive accomplishments.

Concerning the academic questions referred to in Chen Yong's article, Liu Zaifu said: When I read Chen Yong's article, my first impression was that I was quite at ease, because his article was void of substance. He should have linked the practice of literature and art with his discussion. But, starting with concepts, the article lacks strength no matter how high-sounding it is. For example, he says that the general law governing historical materialism is the essential law governing literature and art, which is the "theory of substitution," substituting specific law with general law. China has suffered great loss because of such a "theory of substitution." For some time, sociology and psychology were eliminated in China, resulting from the "theory of substitution."

Some people proposed that "the law governing historical materialism is to explore the law governing social development, so where is the need for sociology?" Since the elimination of sociology in China, the population issue has never been appropriately researched, and Ma Yanchu's theory on population was refuted. So, even now, the entire Chinese nation is still suffering from the bitter consequences, and the next generation as well as ours will suffer. That is the evil result of the "theory of substitution."

Liu Zaifu said: Zhao Ziyang and Hu Qili have called on us to study the inherent law governing economic development, which is based precisely on historical lessons. Now, Chen Yong has proposed the concept that the general law governing historical materialism is the essential law at the highest level governing literature and art.

It is not difficult to clarify through discussion, whether or not this concept is favorable to the development of social literature and art. However, some academic questions, for example the question of the subjective nature of literature, are rather difficult. To my mind this question is not to be solved by articles demonstrating where one stands, or by negating the theory in an oversimplified manner. Such articles can only perish after their emergence. I hope the literature and art theoretical circles will deal with this question rationally.

At my suggestion, Liu Zaifu gave an explanation on the question of the subjective nature of literature, which was proposed recently, and which has brought triggered debate.

Liu Zaifu said: "I began to ponder the question of the subjective nature of literature in 1981. This question includes the subjective nature of the individual, the subjective nature of a nation, and the subjective nature of mankind. This is a concept to intensify the creativity, initiative and self-determination of mankind. The concept of subjective value I refer to, is to show full respect to man, and man cannot merely satisfy himself with being a "cog" under the restriction of objective conditions. Man can make his own choice from all the possibilities provided by history and become master of history. How to emancipate the subjective body, to give play to subjective power, and to acknowledge the subjective value of man is a solemn topic of invigorating our national spirit and should be explored and studied for a long period of time. A few articles detailing opinions or writing articles of criticism without ample study will not be any help."

Liu Zaifu's theory on the subjective body has some connection with the humanism advocated by some people on the mainland.

Liu Zaifu told me that he had learned "humanism" from the "cow pens." [a place of temporary detention for persons attacked in the Cultural Revolution] He said: "My teacher, who carried me on his back crossing the river to school, was held in a 'cow pen.' Millions of China's outstanding talents were held in 'cow pens' including many veteran revolutionaries. I witnessed many deaths during the Cultural Revolution. Hence, we talk about humanism today! How China is badly in need of humanism! Since the focus of our national life was shifted, the original support 'taking class struggle as the key' has been proved wrong. It is therefore necessary to look for a new support for our national spirit and this is, precisely, socialist humanism.

In conclusion, he said: "I have always advocated socialist humanism, on the grounds that first, humanism is favorable in changing the world's image of the Chinese nation; second, it is favorable in readjusting human relations; and third, it is favorable in giving play to individual initiatives."

CHENG MING DISCUSSES EVERBRIGHT PERSONNEL CHANGES

HK040709 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 75

[Article by Chiao Chi: "A Personnel Change in Everbright"]

[Text] Being a product of reform, the Everbright Group Limited in Hong Kong has recently undergone an important personnel change which attracted the public's close attention.

In this change, the one to go is the number two man of the Everbright Group. He is Li Xinshi, executive director, first deputy general manager and concurrently Beijing's Everbright Industries' general manager. Li Xinshe, now about 50, is the son of a military cadre. Though he is Everbright's number two man, his name is seldom found in newspapers and he is rarely seen at public gatherings, which is contrary to Wang Guangying's style.

Originally, Li Xinshe was a central authorities' cadre at the ministerial department or bureau head level. When Zhao Ziyang founded Everbright, Li Xinshi, like Wang Guangying, was one of the founders. They first formed the Everbright Industries Company in Beijing before establishing Everbright in Hong Kong. During this period, Li Xinshi made use of his relationship with various sectors to actively help Wang Guangying pool hundreds of millions of U.S. dollars for establishing the company in Hong Kong.

The core of Everbright can be divided into four [number as published] parts. One of them is Wang Guangying and his family (including his wife Ying Yili [2019 0110 0448] and his daughter Wang Mi [3769 4717]. The second part comprises the young people headed by Li Xinshi, and of course including a number of children of high-ranking cadres. After his arrival in Hong Kong, Wang Guangying engaged in so many types of business operations that he hired, and put into important positions, a number of people who were on good terms with him when he was in Tianjin, and who were then in Hong Kong. But there were some people who always used the name of Everbright to seek personal gain.

Furthermore, when Wang Guangying first came to Hong Kong, he always exaggerated things. This badly impressed the other sectors. Not only did he reveal publicly the discord with Rong Yiren, chairman of the board of directors of China International Trust and Investment Corporation (see the article "The New World of an Old Entreprenuer -- Interview with Rong Yiren and His China International Trust and Investment Corporation" published by RENMIN RIBAO 26 Aug 84), but there were also many people who informed Beijing about Wang Guangying.

The central authorities therefore decided to carry out large scale consolidation in Everbright. Being a leading administrative cadre, Li Xinshi, who was then the acting general manager of the Everbright general affairs department, was assigned the consolidation work. Consequently, a number of people who were recruited by Wang Guangying left Everbright and its subsidaries. Moreover, Wang Guangying began "speaking less and doing more," and in the new leading group, Li Xinshi became the number two man on the board of directors.

Since Everbright is a product of reform, its establishment developed contradictions with some traditional foreign trade units, or in other words, the vested interests. Therefore, there were many people who informed the authorities about Wang Guangying as well as Li Xinshi. These people reported that Li Xinshi was one of the "people of three categories" during the Cultural Revolution. It was stipulated in explicit terms that the "people of three categories" are not allowed to enter the leading group. In fact, Li Xinshi's father was a ranking cadre of the PLA Air Force. Soon after the Cultural Revolution started, his father was attacked and removed from office by Wu Faxian, one of the four major military followers of Lin Biao. Therefore, Li Xinshi was not a member of the vested interests during the Cutural Revolution.

It was reported that at that time, Wang Guangying said that he would protect him even though he was a member of the "people of three categories." But Li Xinshi did not appreciate his kindness and insisted on denying the charge of being a member of the "people of three categories." However, there seemed to be contradictions between them after Li Xinshi completed the consolidation of Everbright.

In fact, at that time, Li Xinshi did more than just "consolidate" Everbright. Being one of the founders, he also "helped" the organization. The Hong Kong visit of the children's toys investigation delegation, led by Li Zhao, wife of Hu Yaobang, in November 1984 was made a success by Li Xinshi. The invitation was made in the name of Everbright. Hence, this made Wang Guangying, who was rather depressed at that time, pull himself together.

But the preliminary consolidation did not solve problems. On 13 January 1985, RENMIN RIBAO carried an interview with Wang Guangying entitled "The Sunset Glow Is as Red as Fire," in which Wang Guangying strongly criticized the "state merchants." He said that they "turned the cold shoulder to him and made things difficult for him." He also said that even though they "have been doing business in Hong Kong for 20 to 30 years, they still cannot achieve self-reliance and even suffer losses. As they cannot raise any loans, they cannot but live by state subsidies."

These statements by Wang Guangying once again caused clamors among the "state merchants," and Everbright was again under great pressure. In order to make Wang Guangying restrain himself further and prevent him from achieving poor results because of his arbitrary actions, Everbright began forming a party committee in the spring of 1985 and adopted the practice of "collective leadership." After discovering this, Wang Guangying was greatly discontented.

With the CPC Central Committee's approval, the CPC Committee in Everbright was formally established in November 1985, and it became the board of directors when handling external affairs. The number of directors was increased and the three people (Wang Guangying, Li Xinshi and Ying Yili) became members of the party committee (that is, the board of dirctors).

In March this year, both Wang Guangying and Li Xinshi left Hong Kong for Beijing. At that time, there were reports about transferring Li Xinshi. His successor was be Lin Zhongming, who had long been working for the Ministry of Foreign Trade and is now assistant to the minister of economic relations and trade. In this way, the "nature" of Everbright, which formally symbolized reform, is now similar to that of China Resources. Its characteristics of reform are now fading and are replaced by those of monopolization. Thus, the contradictions between China Resources and Everbright, which have been frequently rumored, can now be mitigated.

Following this personnel change, the movements of those people who originally worked for Everbright, together with Li Xinshi, have attracted people's attention. It is learned that some of them intended to follow Li Xinshi's move, but the organization informed them that they should take the overall situation into consideration and should not let their work at Everbright be affected because some people have to leave. As a result, they stayed in Everbright and continue to work for the firm. But what their future movements will be has yet to be seen.

Nevertheless, fortune always knocks at Wang Guangying's door. No matter how hard the internal struggle was, his position was as firm as an iron fist. This was definitely the result of his successful practice, since his arrival, of working hard to portray himself as a"national capitalist." Once his position is changed, his image of advocating reform will be affected, which, from Communist China's viewpoint, must be avoided at present.

PRC LETTER SLIPS THROUGH POSTAL SYSTEM IN TAIWAN

HK050650 Hong Kong SOUTH CHINA MORNING POST in English 5 Jun 86 p 14

[Text] A postcard has slipped through the Taiwanese postal network, despite an official ban on mail links between Taiwan and the mainland.

The card, addressed to one Paul Arthur from a friend travelling on the mainland, was mailed from Shanghai to the poste restante at Taipei General Post Office.

Staff at the office allowed the recipient, who is thought to have been using a pseudonym, to collect the card without subjecting him to questioning.

The card, the first concrete evidence of mail links between the two countries, took 23 days to travel from Shanghai to Taipei.

According to the recipient of the postcard, who would not give his real name, postal staff simply handed him the card when he went on his regular trip to collect mail.

On the postcard, there were two postal chops -- one from the mainland post office on the 10-fen stamp and the other of the Taipei post office, dated December 29. [dated as published]

Taiwan has rejected China's approach to establish mail links and mail is carried by travellers at their own risk.

An official of the Directorate of the Northern Taiwan Postal Region said it is the Taipei Government's policy to ban mail from the mainland. The official said it must have been negligence on the part of the postal staff to allow the postcard to get through. He believed the postcard was sent via Hong Kong, which deals with a large quantity of Taiwan-bound mail daily.

It was possible that some mail from the mainland was mixed in with other Taiwan post and went through unnoticed, he said.

He said it was the first time he was aware that mail from the mainland had been received in Taiwan.

The official said the government would not change its policy following negotiations last month between Taiwan's China Airlines and the mainland's Civil Aviation Administration of China.

Last month, the SOUTH CHINA MORNING POST managed to establish telephone links between the mainland and Taipei via a call from Xiamen through the international direct-dialling system.

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EDUCATION OFFICIAL PLAYS DOWN UNIVERSITY INCIDENT

OW070952 Beijing XINHUA in English 0932 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- The clash between Chinese and foreign students at Tianjin University was an isolated incident and will soon be resolved in a fair way in the interests of the friendship between China and the countries concerned, an official of the State Education Commission said here tody.

Yu Fuzeng, deputy head of the Foreign Affairs Department of the State Education Commission, held a press conference at the International Club on the incident.

On the evening of May 24, foreign students at Tianjin University gathered in the school dining hall to celebrate African Liberation Day. The school leaders and representatives of Chinese students attended the opening of the meeting to express their congratulations. At 11:30 P.M. the foreign students began to hold a dancing party in the dining hall.

Some Chinese students who lived nearby went to the dining hall and asked the foreign students to lower the volume of the music, as they were to participate in a physics contest between Beijing, Tianjin and Shanghai studetns the following day. An agrument developed and some foreign students threw beer bottles at the Chinese students, hurting several of them. The riot drew more Chinese students, some of whom began to throw stones into the dining hall while the foreign students continued to throw bottles.

At about 12:10, the university authorities came to the dining hall and stopped the 30-minute conflict, in which two Chinese students had been seriously hurt, and several other Chinese students as well as three African students slightly hurt. The school authorities moved 16 students, from Asian and African countries, to a kitchen room for their protection. Early next morning, the local police moved these students to a safer place where they would be isolated from the Chinese students.

After the incident, over 50 Chinese students went to appeal to the Tianjin Municipal Government to punish the foreign students who had injured Chinese students, and some foreign students came to Beijing to seek redress.

Yu described the incident as "rare and isolated," saying that it would not affect the relations between China and other countries, including those of Africa. "We are convinced that it is not difficult to settle the dispute," he said. The principle of the State Education Commission and the Tianjin University authorities are determind to calm the students down so that the dispute can be settled and the friendly relations between China and other countries safeguarded, he said.

Investigation of those who have violated school discipline and law would be conducted by public security institutions, and fair judgements would be made on the basis of facts, he said. Right now, the commission and university authorities are trying to persuade those foreign students of the university who came to Beijing to return to their studies. "So far, ten of them have done so," Yu said.

China began to accept African students in 1959. Among the 3,500 foreign students now studying in China, Yu said, 1,600 are from African countries. All of them are recipients of Chinese scholarships. Generally speaking, he said, Chinese and foreign students are on good terms. "There have been no security problems for foreign students in China," Yu said.

However, he added, owing to different customs and cultural backgrounds -- and the tendency of young people to easily get excited -- there have been "unhappy incidents" between Chinese and foreign students and among foreign students themselves. Whenever such incidents occur, he said, the commission and school authorities always first try to cool down the students and help them settle their disputes in a sensible way. Those who have violated school disciplie or law, no matter whether they are Chinese or foreign students, will be dealt with in accordance with discipline and law.

Yu said that Chinese and foreign students needed time to get accustomed to each other, the problems which occur in this process should not be described as racial discrimination. "China has always been opposed to racial discrimination," he said. "Acts of racial discrimination inside and outside schools will be criticised and possibly punished according to law."

African Students Blamed

BK071148 Hong Kong AFP in English 1118 GMT 7 Jun 86

[By Bernard Degioanni]

[Text] Beijing, June 7 (AFP) -- Beijing Saturday officially blamed African students for allegedly provoking a confrontation with Chiense students at Tianjin Univerity a fortnight ago. The official stance was made public a day after some 300 African students marched through Beijing to tame their protest against alleged "racist aggression" by Chinese students to the Education Ministry.

Foreign Ministry spokesman Yu Fuzhen told a press conference Saturday that the Chinese Government "disapproved" of the demonstration, without explaining why it had been authorized in the first place. The peaceful four-hour demonstration was the first protest against Chinese that foreigners have been allowed to hold here, Western diplomats said.

In a related development, a Chinese Education Ministry official met with about 50 African students at the Beijing Institute of Languages Saturday, eyewitnesses said. During an often stormy meeting, the Education Ministry official told the Africans they were responsible for the May 24 incident at Tianjin University, a student who attended the meeting said. The Chinese official also said the government plans to construct a building exclusively for foreign students at Tianjin University before August, another participant said. The Chinese Education Ministry official told the African students that their safety would be assured, satisfying on of their requestes, he added.

The African students also reportedly read an eight-point statement to the Chinese official. In the statement, the Africans reportedly said they wanted Chinese authorities to admit that "racism exists in China" and that "the aggression committed against them was undertaken with premeditation."

Mr Yu, the Foreign Ministry spokesman, provided a detalied account of events that led to the clash at Tianjin University. He said that African students had provoked the confrontation by refusing Chinese students' requests to turn down loud music after 11 p.m. Mr. Yu said that Africans hd been the first to attack, throwing glasses which had seriously injured two Chinese studens. He also said 300 Chinese students had replied with stones anbd bottles during the five-hour clash.

Observers here said it was the first time the Chinese authorities had publicly blamed the African students for the incident, which earlier had been described as a "misunderstanding" which could have happened in any country.

Many Western diplomats said the government appeared to be responding to a groundswell of discontent among Chinese students. Already fed up with seeing foreigners enjoy better living conditions at the same universities, Chinese students must have felt betrayed when permission was granted for Friday's demontration, one Western diplomat said.

Beijing had sought to improve its image abroad by allowing the demonstration, diplomats said here. "It was showing its willingness to apply the policy of liberalisation in new areas," one said. At the same time, by blaming the foreigners involved in the Tianjin incident, the government was seeking to appease not only Chinese students, but also certain leaders who were critical of the scope of current "open-door" policies, observers said.

Mr. Yu said an inquiry was under way to determine if Chinese law had been broken in the Tianjin incident, noting that the law condemned racism. He denied that similar incidents had occurred at universities in Xian, Shenyang and Nanking, as African students have reported. He did however confirm that a student from Cameroon was being expelled for an incident in February which he said had involved only foreigners. he said that there were no plans to expel African students involved in Friday's demonstration.

Mr. Yu indicated that 1,600 of the 3,500 foreign students in China were from African and Arab countries and that their course of study normally lasted five or six years.

PRC DELEGATE ADDRESSES INTERPOL ON TAIWAN ISSUE

OW071048 Beijing XINHUA in English 0952 GMT 7 Jun 86

[Text] Paris, June 6 (XINHUA) -- The executive committee of the International Criminal Police Organization (Interpol) today adopted a resolution, reaffirming the official membership of the People's Republic of China. The committee urged Interpol's Secretary General Kendall and member nations to carry out the resolution.

In 1984, the People's Republic of China was accepted by the organziation as an official member country at the 53rd General Assembly, but the title of Taiwan in the organization and the relations between them have not been solved.

At today's meeting, Zhu Entao, Chinese representative and member of the Interpol executive committee, said that status of Taiwan on Interpol has already been settled since the organization has accepted the People's Republic of China as its official member country on the condition put forth by China in its application.

He urged the organization to abide by its resolution and principles in its charter and to us the title "Associate Bureau of Taiwan, China" or "Associate Bureau of Taipei, China" in describing Taiwan's acitivity in the organization. He said that Taiwan, a province of China, can assign a representative in the name of "Taiwan, China" to attend meetings of the organization without the right of vote. It can also have business contacts with the general secretariat of INTERPOL and if necessary, with the central bureau of Interpol's member states but cannot be regarded as an independent political entity, he added.

Zhu also said that China is willing to cooperate with the Taiwan authorities in fighting against criminal activities on the basis that the resolution and Interpol's charter are observed. Four members of the executive committee voiced their support for China's position. After a debate, the meeting passed the resolution reaffirming the membership of the People's Republic of China.

Other topics discussed at the meeting, which began on June 3 in Paris, are anti-terrorism, fight against drug smuggling and abuses as well as strengthening of Interpol's links with other international law enforcement instituions. The Interpool, which has 138 member states, is an international police organization to fight against criminal activities. Its general secretariat is based in Paris.

MINISTRY NOTES PLANNED FOREIGN AID PROJECTS

OW090551 Beijing XINHUA in English 0641 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- China will undertake 252 foreign-aid projects in 65 countries this year, according to the Ministry of Foreign Economic Relations and Trade. Of these projects, 33 are new and 40 others are scheduled for completion this year. "These projects are being built on the principle of "equality and mutual benefit and seeking the maximum practical results", an official of the Ministry said. [quotation marks as received]

Altogether 174 China-aided projects in agriculture, industry, public service and geological prospecting were completed in other lands over the past five years, the official said. Included were river harnessing work in Sri Lanka, construction of textile mill in Burma, a urea chemical fertilizer in Bangladesh, a hydroelectric station in Burundi and a stadium in Senegal. A total of more than 30,000 Chinese people were sent abroad to undertake the projects. By the end of 1985, more than 1,200 Chinese medical workers were still working in 42 countries and regions on contract, the official noted. In addition, the total volume of contracted projects and labor service signed between China and foreign countries increased by an average of 60 percent a year from 1981 to 1985. More than 170,000 Chinese were sent abroad to undertake such projects during this period.

XINHUA REPORTS UN PLAN TO OFFER AID TO PRC

OW061426 Beijing XINHUA in English 1209 GMT 6 Jun 86

[Text] Geneva, June 5 (XINHUA) -- The United Nations plans to offer more than 128 million dollars in aid to China in the next five years to help the country introduce advanced technology, tap talent resources and buy some badly needed eqipment. The 1986-90 aid package, adopted yesterday at the 33rd session of the U.N. Development Program (UNDP) Council, is expected to focus on more than 70 projects in the exploitation of talent resources, technological transformation of enterprises, introduction of advanced technology, application of information technology, and improvement of people's living standards.

The current UNDP session, which opened here Monday and will last until June 27, also commended China's implementation of the first UN five-year aid program that started in 1982, saying that the program has achieved successes in developing technology in certain sectors.

Under the first aid program, a group of technical training centers have been built up in the information, electronic, energy, transportation and agricultural fields, which the UNDP said "have played a role of model" in introducing and spreading advanced know-hows from abroad as well as in training technical personnel.

UNDP, the U.N. funds-gathering center, has always provided technological aid to the developing countries in grant. The on-going UNDP meeting, with the exploitation of talent resources as its main theme, is expected to review aid packages for 45 developing countries, which tots up to some 700 million dollars in 1986.

GORBACHEV LEAVES FOR HUNGARY, WARSAW PACT SUMMIT

OW070800 Beijing XINHUA in English 0740 GMT 7 Jun 86

[By Yang Yanping]

[Text] Beijing, June 7 (XINHUA) -- Soviet leader Mikhail Gorbachev is going to pay his first visit to Hungary as party general secretary, and to attend a summit of Warsaw Pact nations to be held in Budapest next week. Hungary is the fifth Warsaw Pact country to be visited by Gorbachev since he became Soviet Communist Party chief in March last year. He has been to Poland, Bulgaria, Czechoslovakia and Democratic Germany. The itinerary of his two-day visit beginning Sunday, is expected to include a meeting with Hungarian leaders to discuss issues related to economic reforms, in which Hungary is regarded as a pioneer among the East Euopean countries. During his last trip to Hungary in September, 1983 as a party central committee secretary, Gorbachev was reported to have made "an intensive inquiry about the ideas and approaches with regard to economic development." He seemed impressed by what he learned about Hungary's experience in organizing its economic reform.

The 27th Congress of the Soviet Communist Party which ended early March endorsed a strategy for nationwide reform to invigorate the country's sluggish economy. Budapest was delighted to see the Soviet leadership return to a sober estimate of the Soviet reality.

Bilateral economic ties, carrying a big weight in Hungary's economy, may also figure largely in the talks between Soviet leader and Hungarian leaders. A country whose economy relies heavily on trade, Hungary obtains 17 percent of its national income through trade with the Soviet Union. The two countries conducted business worth 9.4 billion roubles (12.7 U.S. dollars) in 1985, or one-third of Hungary's total foreign trade. Hungary's poor economic performance since early last year has partly been attributed to the higher prices it has had to pay for its imports of energy resources from the Soviet Union and the declining prices of its farm produce sold to the latter. Hungary has also suffered heavy losses since the European Community banned imports of farm produce from East Europe, allegedly contaminated by radiation from the Soviet Chernobyl nuclear station accident on April 26. A solution to these issues requires mutual concessions.

This year's Warsaw Pact summit in Budapest following Gorbachev's visit, is overshadowed by the Chernobyl disaster as well as Washington's lukewarm response to a series of Soviet peace initiatives launched over the past year.

A second U.S.-Soviet summit, scheduled for later this year in the United States, is something still out of sight as the two sides have yet to agree on a date. Moscow is likely to use the forum in Budapest to give a push to its peace drive through better coordinated action of the pact states. The possibility is not ruled out of new disarmament offers to emerge from the meeting.

The previous Warsaw Pact summit held Last October in Sofia, Bulgaria, proposed a freeze on the number of Soviet and U.S. conventional forces at home and abroad at the January 1, 1986 level. Pact leaders also called for a halt to the deployment of medium-range nuclear missiles in Europe.

BAN YUE TAN ARTICLE ON TOKYO 7-NATION SUMMIT

HK061020 Beijing BAN YUE TAN in Chinese No 10, 25 May 86 pp 52-53

[Article by Tan Ping: "Stress on Both Political and Economic Issues, Hopes More Than Actions -- Comments on the 7-Nation Summit of the West"]

[Text] The annual head of state conference of the seven industrialized nations was held in Tokyo, Japan from 4 to 6 May. According to reports, of the 12 summits held so far, the participating leaders were most satisfied with this one.

In November 1985, heads of government from the United States, Great Britain, France, Italy, the FRG, and Japan met in Paris to discuss the postwar period's most serious economic crisis as well as the coordination and readjustment of interdependent relations among the major industrial countries of the West. In June the following year, leaders from these six states and the prime minister of Canada met in San Juan, Puerto Rico, where they deliberated on resolution of the inflation problem. Thus was born the system of holding an annual summit of the seven leaders from the West.

In previous summits, economic problems were normally the main subject, with major issues affecting the participating countries the principal topic. For instance, in 1976 it was the inflation problem; in 1979, the increase in oil prices; in 1984, the high deficits, high interest rates, and high dollar exchange rates of the United States and their impact on West Europe's economic recovery efforts as well as the world debt crisis. Thus, some people refer to the 7-nation summit as the economic conference of the Western heads of government. It was only in 1980 that, with the outbreak of major incidents such as the Soviet invasion of Afghanistan, Iran's holding of American hostages, and the Middle East tension, the leaders participating in the summit had no choice but to concentrate on political questions.

The distinctive characteristic of this year's Tokyo summit is that political and economic problems shared equal attention. One of the most important issues tackled at the meeting was the coordination of all countries' stand on international terrorist activities. Western reactions to the U.S. raid of Libya that occurred shortly before the summit opened showed that the United States did not in fact have any supporters. Only British Prime Minister Thatcher steadfastly supported the U.S. raid, while other countries expressed varying degrees of opposition. In particular, France's refusal to allow American bomber planes to fly in its territorial airspace led for a while to tension in Franco-American relations. Whether the U.S. can use the occasion to induce all countries into taking the same position is a test of the stability of the Western alliance.

The summit issued a declaration on international terrorists acts that fulfilled the wishes of the United States. The declaration's straightforward naming of Libya greatly delighted Reagan. However, it is very difficult to say whether the understanding and interpretation of this declaration by all countries are one and the same. Thatcher has notably pointed out that the declaration is not a permit for the United States to launch new military actions against terrorist targets. If Thatcher holds this view, what about the other countries? Nonetheless, the declaration has after all been issued, and superficially at least, the United States was able to save face.

President Reagan may be satisfied, but he did not forget to make further progress. After the summit ended, he sought out French President Mitterrand and Prime Minister Chirac for private talks. Reagan's explanation for the often bumpy Franco-American relations was this: "In every happy marriage, there are bound to be some ups and downs." As for Chirac, he remarked: "The arguments are a thing of the past. The new chapter is to look to the future." Even though both sides seemed to have buried the hatchet, they have not resolved any substantive problems.

Upon arrival in Tokyo, the seven leaders agreed at the last moment to publish a statement on the Chernobyl nuclear accident in the Soviet Union. The statement was drafted overnight by personal representatives of each head of government and approved and issued as a conference document. Furthermore, the declaration put out by the summit also states that the participating countries resolutely uphold ASEAN's position on resolution of the Cambodian question, support the UN position demanding Soviet troop withdrawal from Afghanistan and political settlement of the Afghan issue, support the new Philippine Government, and support the resolution of East-West differences by means of high level dialogue and talks. All this serves to show the dominance of political issues at the Tokyo summit.

On economic issues, due to the drastic decline of oil prices this year which is favorable to the present economic development of Western states, the atmosphere was one of comparative optimism. Nonetheless, the Western developed countries continue to face some thorny problems, such as the trade question. Last year, the U.S. foreign trade deficit totalled as high as $150 billion, with the trade deficit against Japan alone accounting for $50 billion; Western Europe's trade deficit against Japan amounted to more than $10 billion. On the exchange rates issue, the dollar's exchange rate against the major Western currencies which last year registered a record high has continued to drop and has been reduced by one-third its original rate within 1 year. The dollar exchange rate against the Japanese yen has also reached a record low. While this made prices of U.S. commodities in the world market more competitive, it also naturally brought disadvantages to the exports of other Western nations. Japanese economic circles strongly demand changes in the current foreign exchange situation, but when Nakasone brought up the issue at the summit, Reagan immediately replied that the high Japanese yen rates had not altered the situation in which Japan enjoys a favorable trade balance of $58 billion annually. The subject was thus closed. In the conference documents issued, each country merely makes abstract promises on similar questions. Hence, Japan's political and economic circles criticized Prime Minister Nakasone for not achieving Japan's objectives.

If the entire global economic situation is taken into account, there are considerably more problems. To name a few, there is famine in Africa, debt service in Latin America, the pernicious impact of trade protectionism on many Asian countries, and others. French President Mitterrand said in Tokyo that the world is not composed solely of seven countries. The developed states have also realized that there exists an interdependent relationship in world economy. The multitude of economic difficulties of developing countries would inevitably affect the economic prosperity of developed states. Prior to the Tokyo summit, numerous countries asked the seven leaders to pay attention to the deteriorating economies of the developing countries. The UN secretary general also called on the developed countries to abandon trade restrictions and resolve the debt crisis. However, the declaration entitled "Looking Into a Better Future" contains mostly statements of intent and not much on resolution of realistic problems, nor does it define actual action to be adopted. It seems that the Tokyo summit has resulted in confining the beautiful future to mere prospects.

USSR CALLS FOR WORLD ENVIRONMENTAL PROTECTION

OW060640 Beijing XINHUA in English 0553 GMT 6 Jun 86

[Text] Moscow, June 5 (XINHUA) -- More than a month after the Chernobyl nuclear mishap, the Soviet Union today said it has concluded from the disaster that countries should join efforts in protecting the world environment. Environmental protection is no longer an issue that concerns only individual nations but the world as a whole and requires global efforts, according to a government statement issued here to mark the International Day of Environmental Protecion. The statement said the Soviet Union has concluded from the Chernobyl nuclear reactor breakdown, which occurred on April 26, that comprehensive international cooperation is needed to solve the environmental issue.

The Chernobyl accident, which killed at least 25 people, wounded some 300 others and sent nuclear cloud to many countries, has aroused grave concern among foreign governments over massive environmental pollution. Soviet leader Mikhail Gorbachev has proposed the immediate establishment of an international body to ensure "the safe development of nuclear energy" and prevent disasters like the Chernobyl accident.

Meanwhile, the official Soviet newspaper PRAVDA reported today that the country has spent 72 billion rubles (about 122.4 billion U.S. dollars) to improve its environment in the past 10 years. Thanks to wastes treatment systems, the country has over the past five years cut by one third the amount of industrial sewage discharged into rivers and reduced by 3 million tons air pollutants, the paper said. It said, however, that inhabitants of some localities are complaining that some industrial departments are still causing pollution to the environment and that more than two thirds of the poisonous waste industrial gas and liquid are released without being processed. The country's forestation program has clearly slowed down and hundreds of thousands of hectares of arable land has turned into desert, the paper disclosed.

USSR MAINTAINS TERRITORIAL STAND WITH JAPAN

OW060450 Beijing XINHUA in English 0126 GMT 6 Jun 86

[Text] Moscow, June 5 (XINHUA) -- The Soviet Union reaffirmed today that it favors a peace treaty with Japan, but refused to resolve the longstanding territorial dispute between the two countries. The Soviet position was outlined by the Political Bureau of the Central Committee of the Soviet Communist Party at its weekly meeting, the official news agency TASS reported.

In response to the visit to Moscow by Japanese Foreign Minister Shintaro Abe last week, the Politburo noted the Soviet Union favored a peace treaty with Japan, but was "against burdening its preparations with problems, which had been settled by the outcome of the second world war," TASS said.

The Soviet policy-making body stated that despite the differences between the two countries on many issues, both sides agreed to continue their political dialogue and develop relations. The Politburo expressed its opinion that "it was possible to find points of contact in the approach to specific issues of speical interest to Japan, and reach agreements on the development of trade-economic, scientific and engineering, and cultural exchanges," TASS added. During his two-day official visit to Moscow, Abe signed a cultural agreement with the Soviet Union but failed to bring about any progress in resolving the dispute over the Kurile Islands, which were taken over by the Soviet Union at the end of World War II.

PRC OFFICIAL HINTS AT OLYMPIC PARTICIPATION

OW081045 Tokyo KYODO in English 1031 GMT 7 Jun 86

[Text] Beijing, June 7 KYODO -- A top Chinese sports official said Saturday that China is preparing for participation in the Seoul Olympic Games in 1988. Li Menghua, minister in charge of the State Physical Culture and Sports Commission, hinted at the strong probability of China's participation in the games, though the country has not made an official decision.

The matter was raised during a meeting between Li and Tadayoshi Yamada of Japan, director of the World Gate Ball Union. Yamada also sounded him out on the possibility of a South Korean gate ball (a game similar to croquet played in Japan mainly by old people) team joining the third Japan-China friendship gate ball competition in China in June next year. Li indicated that he will consider the proposal.

PLA GENERAL STAFF DEPUTY CHIEF ARRIVES IN TOKYO

OW081448 Beijing XINHUA in English 1443 GMT 8 Jun 86

[Text] Tokyo, June 8 (XINHUA) -- Xu Xin, deputy chief of the general staff of the Chinese People's Liberation Army arrived here Sunday for a visit to Japan. He will meet with Defense Agency Director General Koichi Kato and other high ranking Japanese military officers. Xu has come to Japan in return for a visit to China by Administrative Deputy Director General of the Defense Agency Haruo Natsume in May last year.

U.S. BATTLESHIP 'NEW JERSEY' TO VISIT JAPAN

OW081016 Beijing XINHUA in English 0936 GMT 8 Jun 86

[Text] Tokyo, June 8 (XINHUA) -- The U.S. nuclear-powered battleship "New Jersey" carrying "Tomahawk" cruise missiles is expected to sail into the Japanese port of Sasebo in late August this year, the Japanese paper "MAINICHI SHIMBUN" reported today.

The paper quoted the Japanese Defense Agency as saying that "New Jersey" is a modernized battleship carrying eight Tomahawk cruise missiles with four nuclear heads each. The ship, which was commissioned into the U.S. 7th Fleet in late May this year, is scheduled to reach the coastal waters of Japan in July after returning to Hawaii from the Philippines. It will hold a joint exercise with the Japanese Maritime Self-Defense Forces and then sail into the Sasebo Harbor.

The commissioning of "New Jersey" into the 7th Fleet is believed to counter the Soviet nuclear-powered cruiser "Frunze" in the northern Pacific, the report added.

NAKASONE MEETS PRC SOCIAL SCIENTISTS 3 JUNE

OW060805 Beijing in Japanese to Japan 2130 GMT 5 Jun 86

[Text] Prime Minister Nakasone met with a delegation of the Academy of Social Sciences of China, led by Mr Hu Sheng, on 3 June. At the meeting, the prime minister said that mutual understanding -- particularly that between theoreticians -- is important to friendly relations between Japan and China. He added that cooperation between Japan and China was a key to preventing a third world war, and also a key to promoting peace and stability in Asia.

WU XUEQIAN URGES SOVIET WITHDRAWAL FROM DRA

OW061150 Beijing XINHUA in English 1138 GMT 6 Jun 86

[Text] Islamabad, June 6 (XINHUA) -- Chinese Foreign Minister Wu Xueqian today called upon the Soviet Union to withdraw its forces from Afghanistan so that a just and fair solution of the problem could be achieved. Wu made the appeal in an exclusive interview with Pakistan television this morning at Karachi airport, where he made a brief stopover on his way home after a tour of European countries. Wu said that the key point of the Afghan problem lies with the Soviet Union to provide a timetable for withdrawal of troops acceptable to both sides.

Replying to a question about the opening of Kunjirap Pass, which was opened recently, betweeen China and Pakistan, Wu said that it was another development for the promotion of bilateral relations between the two countries and that this would benefit visitors of the two countries and also provide an opportunity to tourism.

NUCLEAR POWER OFFICIAL SAYS INDIAN PLANTS SAFE

OW071250 Beijing XINHUA in English 1150 GMT 7 Jun 86

[Text] New Delhi, June 7 (XINHUA) -- Chairman of the Nuclear Power Board of India has said that India's nuclear power plants are safe and the situation which occurred in Soviet Chernobyl will not happen in India, reported the "STATESMAN" today. Dr M.R. Srinivasan, chairman of India's Nuclear Power Board told reporters in Bombay yesterday that India must pursue its nuclear power program. "But we should draw appropriate lessons from the Chernobyl accident," he added. "We weill analyze the factors leading to the accident, draw the right lessons from it. If arising from it, any further safety features are warranted in our power plant design, we will certainly incorporate them," he said. "In case the heavy water is lost and is replaced by ordinary water (in India's power plant), there is no nuclear chain reaction. This is an inherently safe feature," he said. Also, he said that Indian reactors have a more elaborate containment design "to mitigate the consequences of any accident inside the reactor and to ensure that no radioactivity escapes into the environment." "We think these safety principles will assure us that a situation which occurred in Chernobyl will not happen in India," Srinivasan said.

India now has three nuclear power plants located in the states of Rajasthan, Maharashtra and Tamil Nadu with a total power generation capacity of 1,273 megawatts. New nuclear poower stations are under construction in various parts of the country. India plans to achieve a target of nuclear power generation capacity of 10,000 megawatts by the end of the century.

HUANG HUA MEETS SENIOR EDITORS FROM INDIA

OW041117 Beijing XINHUA in English 1114 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, today told a group of senior editors from Indian press that there existed conditions for China and India to expand bilateral trade and economic, technological cooperation. The two countries can conduct more exchanges in culture, education, science and technology as well as family planning, he said, hoping that both sides will make concerted efforts for mutual cooperation. Huang Hua also briefed the guests on China's political and economic situation. These senior editors, who are from "INDIAN EXPRESS," "TIMES OF INDIA", "HINDUSTAN TIMES" and "STATESMAN", are guests of the All-China Journalists Association.

HU YAOBANG BEGINS TOUR OF WESTERN EUROPE

OW070138 Beijing XINHUA in English 0133 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- General Secretay Hu Yaobang the Chinese Communist Party Central Committee left here this morning for an official visit to Britain, the Federal Republic of Germany, France and Italy. He was seen off at the airport by Zhao Ziyang, Yang Shangkun, Hu Qili, Wang Zhaoguo and Qian Changzhao as well as diplomatic envoys or officials fo the four Western European countries to China. Hu is accompanied on the visit by Li Peng, member of the Political Bureau of the Chinese Communist Party Central Committee and vice-premier of the State Council, and Fei Xiaotong, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference.

Visits Urumqi en Route

OW080558 Beijing XINHUA in English 0553 GMT 8 Jun 86

[Text] Urumqi, June 8 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang left here earlier today for an official visit to Britain, the Federal Republic of Germany, France and Italy. Among those leaving on board the same plane were Li Peng, member of the Political Bureau of the Chinese Communist Party Central Committee and vice-premier of the State Council, and Fei Xiaotong, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference. Hu Yaobang and his party arrived here from Beijing yesterday morning for a brief stopover. Upon their arrival in and departure from Urumqi, they were greeted at the airport by Wang Enmao, Song Hanliang, Tomur Dawamat and other party government leaders of the Xinjiang Uygur Autonomous Region as well as local officials of Urumqi city.

Hu Yaobang, Li Peng and others visited an exhibition on achievements made by the autonomous region in the last three decades and modern construction in Urumqi, and watched song and dance items presented by children of various nationalities yesterday afternoon. In the evening, Hu Yaobang, Li Peng and Fei Xiaotong met local party, government and Army officials and retired cadres of Xinjiang and had photographs taken with them.

Arrives in Britain

OW081556 Beijing XINHUA in English 1540 GMT 8 Jun 86

["Flash: General Secretary Hu Yaobang Arrives in London To Start West European Tour" -- XINHUA headline]

[Text] London, June 8 (XINHUA) -- Chinese Party leader Hu Yaobang arrived here this afternoon to start a four-nation tour of Western Europe to seek peace, friendship and cooperation. Hu, general secretary of the Central Committee of the Communist Party of China (CPC), was greeted by British Government officials at the airport as his special plane tourched down at 04:30 p.m. (local time).

Britain is the first leg of Hu's West European tour, which will also take him to Federal Germany, and Italy. Among those accompanying Hu on the tour are Li Peng, vice premier and member of the Political Bureau of the CPC Central Committee, and Fei Xiaotong, vice chairman of the National Committee of the Chinese People's Political Consultative Conference.

Statement Released on Arrival

OW081602 Beijing XINHUA in English 1544 GMT 8 Jun 86

[Text] London, June 8 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party, received a red-carpet welcome today as he flew in London's Heathrow Airport to begin his four-day visit to Britain at the invitation of Prime Minister Margaret Thatcher. This is the first leg of Hu's Western European tour, which will also take him to Federal Germany, France and Italy.

As Hu stepped down the plane, he was warmly welcomed by British Secretary of State for Employment Lord Young and saluted by a ceremonial guard of honor of the Royal Air Force.

In a written statement released at the airport, the Chinese leader said that he has come to Britain to "promote understanding, strengthen friendship, expand cooperation and maintain peace." "Over the recent years," Hu said, "gratifying progress has been made in various fields in the Sino-British bilateral relations. The satisfactory settlement of the Hong Kong question has created favorable conditions for further advancing Sino-British relations to a new high and ushered in a new historical period of amicable cooperation between China and the United Kingdom." "It is my hope that my visit will help strengthen the friendly cooperation between our two countries and between China and Western Europe, promote our common prosperity and be conducive to the cause of maintaining world peace," he said.

Among those accompanying Hu on his visit are Li Peng, member of the Political Bureau of the Central Committee of the Communist Party of China and vice premier of the State Council, and Fei Xiaotong, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and a world-renowned sociologist.

After a brief welcoming ceremony, Hu and his party were taken by a motorcade to Hyde Park Hotel where they will stay during the visit.

Since Mrs. Thatcher's visit to Beijing in December 1984 during which the two countries signed a joint declaration on the question of Hong Kong, closer political and economic relations have been established between the two countries. Last June, Chinese Premier Zhao Zhiyang visited Britain and Queen Elizabeth II will visit China this October. Last year, the volume of bilateral trade exceeded for the first time one billion U.S. dollars.

Tomorrow morning, Mrs. Thatcher will preside over a formal welcoming ceremony for General Secretary Hu and the two leaders will hold talks at No 10 Downing Street in the afternoon.

Hu will meet leaders of the opposition parties and have an audience of Queen Elizabeth at Buckingham Palace. A key-note speech will be delivered by Hu on Wednesday at the Royal Institute of International Affairs.

Visits Sun Yatsen Memorial

OW090040 Beijing XINHUA in English 0013 GMT 9 Jun 86

[Text] London, June 8 (XINHUA) -- Chinese leader Hu Yaobang, who had just arrived here earlier today for an official visit to Britain, paid tribute to Dr. Sun Yatsen as he visited the room inside the Chinese Embassy where Sun had been imprisoned nearly 90 years ago.

The Chinese Communist Party general secretary looked with reverence at Sun's bronze bust in the room and he recognized immediately that another bronze bust, standing side by side with Sun's was Dr. James Cantlie, an eminent British physician and formally Sun's tutor who had saved Sun from the imprisonment.

It was in that tiny, dark room where Dr. Sun Yatsen, the great pioneer of the Chinese Revolution, had been secretly imprisoned for 12 days in October 1896 after being kidnapped by the then Manqin (Manchu) Government agents. Sun escaped certain death only by smuggling a letter to Dr. Cantlie who went to London newspapers to make his kidnapping public and invoked the intervention of the British Government. The room, opened in 1933 as a memorial, has been carefully preserved since the embassy building was rebuilt in 1985.

Li Peng Comments on Tour

OW061216 Beijing XINHUA in English 1159 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- The Chinese Communist Party General Secretary Hu Yaobang's forthcoming visit to Britain, the Federal Republic of Germany, France and Italy is an important visit showing the great importance China attaches to developing its relations with West European countries.

This visit will further strengthen and develop the existing good relations between China and the West European countries, said Li Peng, member of the Political Bureau of the CPC Central Committee and vice-premier of the State Council, who was asked by Hu to meet with journalists from the above-mentioned four countries stationed in Beijing here this afternoon.

Li who will accompany Hu Yaobang on the visit said that the West European countries are playing an important role in safeguarding world peace and development. A united and strong Europe is of great importance to maintaining world peace. He noted that China has enjoyed very good economic relations with Britain, Federal Germany, France and Italy, adding that: "We can learn from these countries advanced technology and management experience." "We welcome more West European firms to invest in China and hope to further develop our trade and economic cooperation," he added.

While answering a question, Li said that on Hu's suggestion, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference Fei Xiaotong will accompany Hu on the visit. Fei is a leader of one of the democratic parties in China and this shows the unity and cooperation between the Chinese Communist Party and democratic parties. Fei Xiaotong, a well-known sociologist, studied in Britain in his early years.

Referring to the Eureka Plan Li Peng described it as a very good plan, saying that China apprecates it. This plan will help develop science and technology in West European countries, he added.

Li said Hu will pay a return visit to the Italian Communist Party as guest of General-Secretary Alessandro Natta. While in France Hu will meet General Secretary of the French Communist party Georges Marchais.

Present on the occasion were head of the International Liaison Department of the CPC Central Committee Zhu Liang and Vice-Minister of Foreign Affairs Zhou Nan, who will accompany Hu on the visit. Special assistant Zheng Bijian will also accompany Hu on the visit.

[Text] London, June 8 (XINHUA) -- Chinese leader Hu Yaobang, who had just arrived here earlier today for an official visit to Britain, paid tribute to Dr. Sun Yatsen as he visited the room inside the Chinese Embassy where Sun had been imprisoned nearly 90 years ago.

LIAOWANG Views Visit

HK070259 Beijing XINHUA Hong Kong Service in Chinese 0119 GMT 7 Jun 86

[Text] Beijing, 7 Jun (XINHUA) -- The new edition of LIAOWANG weekly to be published on 9 June carries an article on General Secretary Hu Yaobang's forthcoming visit to four Western European countries. It says that the visit, based on the program of "promoting understanding, strengthening friendship, expanding cooperation, and preserving peace," will promote the long-term and stable development of cooperative relations between China and Western Europe.

The article, entitled "Hu Yaobang Visits Four Western European Counties," says that General Secretary Hu Yaobang will begin 2 weeks of official visits to the United Kingdom, the FRG, France, and Italy on 9 June. This is the first time the general secretary of the CPC has visited Western European countries.

The article says that the countries of Western Europe have conducted active diplomacy in recent years in promoting the development of a multipolar world. They attach great importance to the position and role of China in the cause of world peace. China and Western Europe occupy decisive positions in international affairs. In the present international situation, the strengthening of ties between China and the countries of Western Europe and the development of bilateral and multilateral relations between them will have a major impact on preserving world peace and security.

The article points out that relations between China and the countries of Western Europe are currently in a period of smooth development. Not only do the two sides have no fundamental conflict of interests; they also hold common or similar views on certain major international issues. Each side understands its own international responsibilities and weight, and holds that the adoption of a stand of acting independently and keeping the initiative in one's own hands is most beneficial for world peace and stability. The significance of boosting ties of friendship and cooperation in all fields between China, which acts independently and keeps the initiative in its own hands, and Western Europe, which has strengthened itself through forging unity, far transcends the framework of their bilateral relations.

The article emphasizes that during his visit General Secretary Hu Yaobang will not be discussing agreements or projects with Western European leaders; instead, his visit is aimed at developing long-term cooperation between China and Western Europe and exploring new ways of dialogue between the nations of the world. As Comrade Hu Yaobang pointed out not long ago, two tides have started to form in the world: the tide of dialogue, and the tide of reform in the socialist countries. During his visit, General Secretary Hu Yaobang's expositions on a number of major international issues will attract attention.

The article points out that during his visit General Secretary Hu Yaobang will also meet with political leaders in the countries concerned. It is evident from this that to develop friendly ties with China is the common desire of the government and the public in all Western European countries.

The article says in conclusion that General Secretary Hu Yaobang's trip to four Western European countries is bound to inject new vitality into the development of political, economic, and cultural ties between China and these countries and lead forward their friendly relationship to a new stage. It will thus contribute to preserving world peace.

UK Welcomes Visit

OW070154 Beijing XINHUA in English 0137 GMT 7 Jun 86

[Text] London, June 6 (XINHUA) -- British officials said today that Britain welcomes the upcoming visit by Chinese party leader Hu Yaobang. Hu, general secretary of the Central Committee of the Chinese Communist Party, will visit Britain from June 8 to 12 on the fist leg of a four-nation European tour which will also take him to Federal Germany, France and Italy. This is Hu's first visit to Britain.

British sources said the frequent exchanges of high-level visits between the two countries, including Chinese Premier Zhao Ziyang's visit to the U.K. in June 1985 and Queen Elizabeth's scheduled visit to China in October have shown that bilateral relations had been improving steadily over the past few years.

British Prime Minister Margaret Thatcher and the Chinese party leader will have broadly-based discussions on international issues and bilateral relations when they meet at 10 Downing Street Monday. Mrs Thatcher will be interested in China's economic reform and she will be in a position to brief her guest on up-to-date developments since the seven-nation Tokyo summit last month, the sources said.

Refering to economic relations between Britain and China, officials pointed out that there had been a steady and significant rise in trade in the last two years. However, Federal Germany, France and Italy were doing even better and British performance was still to be improved, they said.

The president of the Sino-British Trade Council (SBTC) Sir Eric Sharp yesterday said "1986 should be the year when these relations are matched by similar strength in Sino-British trade. This means not only increases in U.K. exports to China but also an increase in British imports from China and a commitment by British industry to transfer technology and invest in China with joint venture and other means." Britain's exports to China in 1985 were valued at 396 million pounds sterling compared with 317 million in 1984, while Britain's imports from China last year reached 308 million pounds compared with 279 million pounds in the previous year, according to British Government statistics.

U.K.'s Howe Interviewed on Visit

OW071207 Beijing XINHUA in English 1159 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- Chinese leader Hu Yaobang's coming visit to Britain demonstrates the growing strength of Anglo-Chinese relations and the two countries can cooperate economically and technically, as well as in sharing political perceptions of the world, British Foreign Secretary Geoffrey Howe said today.

In an interview with Radio Beijing broadcast today, Howe said that the Chinese Communist Party general secretary's four-day visit starting on Sunday "is the evidence of the growing strength of relationship between our two countries. It's one of many such contacts that we've enjoyed."

Since the signing of the Sino-British joint declaration on the future of Hong Kong in December 1984, he said, relations between the two countries "have never been better. They are extremely good and there is a spontaneous quality that we should not underestimate."

Howe noted that Britain and China are different countries with different historical backgrounds. "But the fact that we are both countries with a long history and long experience, with a certain pride about our traditional position, enables us to understand each other better," he said.

Asked which areas he thinks China and Britain can cooperate most effectively, the British secretary said, "I think we can cooperate in sharing our political perception of the world.... it's very valuable to exchange views with Chinese ministers about politics."

Howe said Britain and China can also cooperate in the economic, industrial and technical fields. "Our trade is sustantial but it should be great deal more substantial," he added

He noted that the two countries have recently signed agreements on investment promotion and protection as well as on double taxation and that consulates have been opened in each other's cities.

Howe revealed that during Hu Yaobang's visit, the two countries will sign an agreement about scholarships for students.

Interview With UK Ambassador

HK090403 Beijing CHINA DAILY in English 9 Jun 86 p 4

[By Gao Shi]

[Text] On the eve of Chinese Communist Party leader Hu Yaobang's visit to the United Kingdom, CHINA DAILY had an exclusive interview with Sir Richard Evans, British Ambassador to Beijing, on Sino-British relations.

"Relations between Britain and China are excellent; in fact relations have never been better, Sir Richard said. "Hu Yaobang's visit will take these relations even further."

The Ambassador said one reason was that the two countries had reached agreement on the difficult historical question of Hong Kong.

The second reason is that Britain and Chinese, whose "interests and responsibilities are world-wide, not just regional, have similar views on international issues, indeed identical views on some," Sir Richard said. "I believe these views are grounded in a common desire for world peace."

The third reason he mentioned is that "the economic needs of the two countries are complementary." As a developing country, China is seeking to import advanced technology, equipment and management skills. "The United Kingdom is able and willing to meet these needs. British industry is also willing to train young Chinese scientists and technicians in the skills China needs to achieve her modernization targets," the Ambassador said.

More than 800 Chinese technicians are now being trained in British companies and there are 800-1,200 Chinese postgraduates studing in Britain. "The numbers are rising all the time" he said.

The last few years have witnessed a rapid development in Sino-British economic and commercial relations. According to Chinese sources, Sino-British co-operation, which used to be restricted mainly to aviation and coal mining, is now expanding into such industries as petroleum, telecommunications, power-generating, building materials, rubber, port facilities, food processing and metallurgy. The total value of British investment in China so far amounts to 247 million pounds ($370 million).

According to British figures, the country's exports to China last year reached 400 million pounds, ($598 million) while Chinese exports to the UK were worth 300 million pounds ($448 million)," a significant increase over the previous year," Sir Richard said.

China has had trade deficits with Britain since 1982. On this matter, the Ambassador said: "The British Government understands that in order to be able to import, China must be able to export. Both the British Government and myself are willing to seek out means and ways of helping China in this respect.

"The British Government is committed to developing closer ties with China and wishes to promote economic relations as much as it can."

He said that 58 British companies had permanent representatives in China. There were at least 25 Sino-British joint ventures in China and another 21-25 were being discussed. There were also more than 100 British Chinese language undergraduates and about 150 teachers of English in China, Sir Richard said.

"The British Government wishes to see an extensive programme of exchanges between ministers and other leaders of the two countries. I don't see why relations -- government to government as well as people to people -- between Britain and China should not go on the way they have been doing during the past few years," the Ambassador said.

RONG YIREN, NPC DELEGATION END NORWEGIAN VISIT

OW071222 Beijing XINHUA in English 1214 GMT 7 Jun 86

[Text] Oslo, June 7 (XINHUA) -- A Chinese National People's Congress (NPC) delegation left Norway for home today after what the delegation described as an extremely satisfactory visit.

NPC Standing Committee Vice-Chairman Rong Yiren, who headed the delegation, expressed gratitude to Thor Knudsen, president of Norway's Upper House (Lagting), who was at the airport to see the delegation off, for the cordial recepetion accorded the delegation.

During its three-day stay in the country, the delegation held talks with representatives of all political parties in Norway's parliament, and met with Norwegian Prime Minister Gro Harlem Brundtland, Crown Prince Harald, and leading industrialists and businessmen. The delegation also visited Bodo, a city above the Artic Circle.

The Chinese NPC delegation visited Denmark before going to Norway.

PRESS CONFERENCE ON ROCKET PLANS, CAPABILITIES

PRC Astronaut To Fly U.S. Shuttle

HK070421 Beijing XINHUA Hong Kong Service in Chinese 1004 GMT 6 Jun 86

[Beijing XINHUA Hong Kong Service Chinese at 1518 GMT on 6 June carries a "Public Notice" which "withdraws" the following item: Report by Chen Ming: "China Will Still Send Astronauts To Participate in the United States' Space Shuttle Project" -- XINHUA headline]

[Text] Beijing, 6 Jun (XINHUA) -- Today, a senior Chinese official said that in spite of the setbacks in the United States' space shuttle project, China would still send an astronaut to participate in a future space mission flown by a U.S. space shuttle.

At a press conference held in Beijing today, which was attended by both Chinese and foreign reporters, Shen Rongjun, a vice minister of the Commission of Science, Technology, and Industry for National Defense, said: "China has not changed its plans. The Chinese astronaut will conduct experiments, including pharmaceutical experiments, in a space shuttle."

However, he said, "we have not yet decided on when this astronaut will participate in a space shuttle mission."

When asked whether China will launch its own skylabs and space shuttles, Shen Rongjun said: "The ultimate purpose of aerospace technology is to send people into space. The human race wants to conquer it. We will proceed in a step-by-stp manner depending on our economic capacity and actual needs."

He continued: "As for the question of when we will produce and launch them, we are giving it centralized consideration and making centralized arrangements."

China once launched a vessel carrying a puppy. It safely returned to the earth after reaching altitudes ranging from 30 to 80 km above the earth and conducting some biological tests.

Shen Rongjun is also senior engineer responsible for organizing the research into and development of defense technology and defense weaponry. He said: "In foreign countries, satellites and carrier rockets are regarded as military equipment. However, we consider the nature of this technology as both military and civilian."

10 Satellite Launches Planned

HK070431 Beijing XINHUA Hong Kong Service in Chinese 0735 GMT 6 Jun 86

[Beijing XINHUA Hong Kong Service Chinese at 1518 GMT on 6 June carries "a Public Notice" which "withdraws" the following item: Report by Chen Ming: "China To Launch 10 Satellites" -- XINHUA headline]

[Text] Beijing, 6 Jun (XINHUA) -- In the next 5 years, China will launch 10 satellites, of which, some are communications satellites, some are meteorological satellites, and some are satellites for surveying terrestrial natural resources.

Today, at a press conference held in Beijing, Sun Jiadong, a vice minister of astronautics, announced this. He said that China was stepping up the development and production of these satellites.

He said: China will vigorously develop its aerospace industry in order to meet the needs resulting from the development of the country's national economy. In addition, China will also try to make a success of the international cooperation and exchanges in this area in order to give impetus the development of aerospace technology.

Since the fifties, when China embarked on its astronautics research project, China has successfully developed a series of rockets including the "Long March 1," "Long March 2," and "Long March 3" and has successfully launched 18 experimental satellites of various types. Of them, seven could be recovered.

Sun Jiadong continued: At present, there are still two satellites in space. One was launched in 8 April 1984, with a fixed position along longitude 125 degrees east above the earth; the other was launched on 1 February 1986, which is a communications satellite with a fixed position along longitude 103 degrees east above the earth.

He said: A "Long March 3" rocket can carry a load of 1.4 tons. China is developing new rocket models. In the future, each rocket will be able to carry a satellite weighing 2.5 tons.

'More Than 50' Launches Possible

HK070400 Beijing XINHUA Hong Kong Service in Chinese 0956 GMT 6 Jun 86

[Beijing XINHUA Hong Kong Service Chinese at 1518 GMT on 6 June carries a "public notice" which "withdraws" the following item: report by Chen Ming: "China Can Launch More Than 10 Satellites for Foreign Users a Year"]

[Text] Beijing, 6 Jun (XINHUA) -- In the future, China will be able to launch more than 10 satellites each year. In the Seventh 5-Year Plan period, in addition to meeting domestic needs, China will also be able to launch more than 50 satellites for foreign users.

This was announced by Sun Jiadong, vice minister of astronautics, at a press conference for Chinese and foreign reporters held in Beijing today. He said: "If there is a great demand on the international market, we will still be able to increase the frequency of satellite launchings. We have this capability." He said that after something went wrong with the space shuttle and the "Ariane" rocket, many satellite and broadcasting companies in the United States, Britain, the Netherlands, Australia, Canada, India, Indonesia, and Pakistan asked China to provide launching services. We are now exploring various possibilities and are making arrangements for them.

China has reached an agreement with Sweden on launching a post and telecommunications satellite for Sweden at an appropriate time. Sweden has paid d50,000 as a booking fee. The satellite is expected to be launched in 1989.

At the urgent requests of several American companies, China's astronautics industry will launch communications satellites for the Western Union [xi lian 6007 5114] Company and the (Tray) [Te lei 3676 7191] Satellite Company of the United States. The Changcheng Industrial Corporation of China has signed a memorandum for the agreement with the (Tray) Satellite Company of the United States but the talks are still going on. The representatives of the (Tray) Satellite Company will soon arrive in Beijing to discuss technical problems for the launching of the satellite.

Sun Jiadong said: "Several American companies have made very urgent requests and hope that the sooner the satellites are launched, the better. They will probably be the first clients for which China launches satellites. This is because they have got ready-made satellites. So, their satellites will be launched between October and December 1987."

At present, only four countries in the world have the capability to launch satellites. They are the United States, France, China, and the Soviet Union. Something has gone wrong with the U.S. space shuttle and the French "Ariane" rockets and the latter has not undertaken any satellite-launching services for foreign countries. This has brought a favorable opportunity for China's astronautics industry to open up the international market.

However, Sun Jiadong said: "Although the space shuttle and the "Ariane" rocket have suffered setbacks, their technologies are still advanced. We do not want to compete with them but would like to serve as a supplement on the international market in order to raise our technological level."

He said: China will provide satellite-launching services for clients in various countries on preferential terms and at prices 10-15 percent lower than those on the international market. The Chinese People's Insurance Company will also give an insurance cover at preferential prices. China will also consider carrying out a reinsurance business with the United States and France.

After 20-odd years of construction, China has established launching facilities and calculation and control systems [ce kong xi tong 3261 2235 4762 4827] corresponding to its carrier rockets. They are chiefly Gansu's Jiuquan satellite-launching center concentrating on launching near-earth satellites, the Sichuan's Xichang satellite-launching center concentrating on launching geostationary satellites, and the calculation and control center in Xian, Shaanxi Province.

Launches for U.S. Firms Planned

HK061318 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1239 GMT 6 Jun 86

[Report: "A Chinese Official Confirms That China Is To Launch Satellites for the United States" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 6 Jun (ZHONGGUO XINWEN SHE) -- Today, in Beijing, a senior official of the Ministry of Astronautics confirmed that China will launch two satellites for the United States in the next 2 years.

This is the first time China has officially confirmed the news to Chinese and foreign reporters.

At a press conference, Sun Jiadong, vice minister of aeronautics, said: Western Union, a U.S. company, is negotiating with the relevant Chinese departments on launching a communications satellite. On 20 May, China's Great Wall and the United States' Teresat signed in New York a memorandum on launching communications satellites.

According to this memorandum, China is to launch a communications satellite with a Long March 3 rocket for its American client at the end of 1987 and to launch another in 1988. Over the past few days, the two sides have been discussing technological problems and the commercial details in Beijing.

Officials on Launch Plans

HK070247 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1440 GMT 6 Jun 86

[Report by Dai Yaping: "Senior Astronautics Officials on China's Astronautics Industry Opening to the Outside World"]

[Text] Beijing, 6 Jun (ZHONGGUO XINWEN SHE) -- Since China announced last October that it would undertake the service of launching of international satellites with its carrier rockets, senior officials in China's astronautics circles held a press conference for Chinese and foreign reporters in Beijing for the first time today. At the press conference, they disclosed details of the negotiations held between China's astronautics industry and foreign countries and the development of China's astronautics technology.

Sun Jiadong, vice minister of astronautics industry, and Shen Rongjun, vice chairman of the science and technology committee of the commission of science, technology and industry for national defense, answered reporters' questions on relevant issues.

In answer to a reporter's question, Vice Minister Sun Jiadong said: So far, Sweden, the United States, Britain, the Netherlands, Canada, Australia, Pakistan, and Indonesia have held talks with China on launching satellites for customers.

Who "will be the first user"? The reporters were very much interested in this question. Sun Jiadong said: According to the usual practice, the booking period is about 30 months. Taking into consideration the needs of customers, the Chinese side will try its best to quicken the work pace and will provide the first launching service for customers around the end of next year. The first customer will probably be the United States because the Western Union Corporation of the United States signed a memorandum with China on 20 May for an agreement on launching two communications satellites. The National Post and Telecommunications Company of Sweden was the first to sign a contract for the booking but it will take the company 2-3 years to develop its home-made satellite. For this reason, it will probably not be the first user.

"Will foreign reporters be allowed to watch the launching? Vice Chairman Sheng Rongjun, a former responsible person of the launching center in Jiuquan, indicated that foreign reporters will be welcome to go for a visit. He said: In recent years the launching center has received 30-plus delegations from foreign astronautics circles. At present, the launching site does not have the necessary facilities to receive guests. As soon as we have the necessary conditions, you will be welcome to go there.

Vice Minister Sun Jiadong disclosed that, while developing the Long March-2 rockets, China also developed rocket series with the code name "Windstorm." In appearance they were similar but their internal systems were different. We conducted a series of experiments with the "Windstorm" series rocket. Later, however, because their properties were similar to those of the Long March-2 rocket, we gave up the development of the "Windstorm" series and concentrated our manpower and financial resources on developing the Long March series rockets.

"When will a manned rocket be launched into outer space?" Sun Jiadong said: In developing space technology, all countries will ultimately have to solve the question of launching manned satellites and space laboratories.

China is no exception. China will make arrangements for this work in light of its needs and economic strength. China has now started to make arrangements for this program. Sheng Rongjun added that China has not canceled its plans to launch manned satellites.

In answer to a reporter's question, Sheng Rongjun admitted that something went wrong when China conducted tests on launching rockets from a submerged submarine last year, but it obtained some test data.

He expressed his understanding over the recent successive accidents regarding the U.S. space shuttle and the French Ariane rocket. As people of the same trade, he expressed his deep concern and sympathy. He hoped that they would discover the cause very quickly and would be successful in future launchings. He disclosed: When China launched a recoverable sattelite in 1974, something went wrong. After discovering the cause, China succeeded in launching seven recoverable satellites later.

Sun Jiadong said: The delivery capacity of the Changzheng No 3 rocket is 1.4 tons, but the weight of the communications satellite to be launched is only 900 kg. We can thus see its potential. China is improving the Changzheng No 3 rocket in order to raise its delivery capacity to from 2 to 2.5 tons.

China now has the capability to launch 10-12 rockets a year. In addition to meeting domestic needs, it will provide the international market with most of its rockets. If it adjusts its production capacity, it will be able to provide still more services.

He said: In the next 5 years, China will launch a series of broadcast and communications satellites, meteorological satellites, and resources satellites in order to meet the needs of its domestic economic construction.

'Windstorm' Rockets 'Scrapped'

HK061100 Hong Kong AFP in English 1051 GMT 6 Jun 86

[Text] Beijing, June 6 (AFP) -- China scrapped a rocket series known as Windstorm in the early 1980's when the launch vehicles proved to be inferior to the Long March series, a senior Chinese official said Friday.

Aeronautics Vice-Minister Sun Jiadong told foreign reporters that the Windstorm had been developed parallel to the Long March, but that only one satellite launch was attempted on a windstorm. He gave no further details.

Mr. Sun disclosed the Windstorm series after reporters repeatedly questioned his assertion of only one failure among 19 attempted satellite launches by Long March rockets since China put up its first satellite in 1970.

A Long March II and the satellite it was to boost into orbit were destroyed by ground controllers in 1974 when navigation equipment malfunctioned shortly after liftoff, Chinese officials have said.

The Windstorm rockets were developed for more than 10 years, mostly through the 1970's, but were scrapped at the beginning of the current decade when it became apparent they were inferior to the Long March, Mr Sun said.

YU QIULI ON PLA LEADERS' HARDWORKING STYLE

OW070250 Beijing XINHUA Domestic Service in Chinese 1028 GMT 6 Jun 86

[By reporters Liu Huinian and Jie Yanzhen]

[Text] Hangzhou, 6 Jun (XINHUA) -- Yu Qiuli, deputy secretary general of the Central Military Commission and director of the PLA General Political Department, spoke at an all-Army political work forum, which ended on 5 June. He called on leading Army cadres at various levels to preserve and carry forward the hardworking style, honestly perform their duties, and correctly exercise their powers in wholeheartedly serving the people.

Reviewing and analyzing the progress in building up leading bodies at all levels since the reduction-in-strength reorganization of the PLA, Yu Qiuli pointed out: Through the reorganization, a large number of outstanding middle-aged and young cadres with both political integrity and ability have assumed leading posts at various levels, and the age and educational structure of the cadre ranks has undergone a remarkable change. The average age of leading bodies is, in general, younger than in the past. Currently it is necessary to further intensify the building of leading bodies at all levels.

Yu Qiuli said: Leading Army cadres at all levels must cultivate a good work style. They must strive, in accordance with the demands set by Comrade Deng Xiaoping, to serve the people wholeheartedly and go deep into the masses to listen to their voice; to speak the truth, oppose lies, never seek undeserved fame, and do more solid work; to draw a clear distinction between public and private interests and not to give favor against principle; and to appoint people on their merits rather than by favoritism. All cadres should conscientiously strive to comply with these demands, and leading cadres should play an exemplary role.

Yu Qiuli stressed: The vast numbers of Army cadres, especially newly promoted young and middle-aged leading cadres, should carry forward the fine tradition of working arduously. He said: Working arduously is a revolutionary spirit that we Communist Party members and revolutionary soldiers must possess. It is an invaluable revolutionary spirit. Our experience during the years of revolutionary war and socialist construction has proven that only with this revolutionary spirit can we overcome all difficulties on our road of advance and resist the inroads of bourgeois and other decadent ideas. Of course, specific contents and requirements of working hard are not identical in various historical stages of revolution or under different circumstances. However, under no circumstances should we forsake this spirit. Our cadres, particularly leading cdres, should foster the idea of being the first to bear hardships and suffering, set high demands and standards for themselves, quietly immerse themselves in hard work, and not the upset by criticisms so that they can contribute to China's modernization drive and to the building of our Army. He said: As long as the entire Army preserves this hardworking work style, we will be able to form a powerful material force.

Yu Qiuli said: After they were appointed to leading posts, some young and middle-aged cadres were asked favors by their relatives, friends, and former colleagues and comrades-in-arms. To correctly handle problems similar to these would be a test to individual cadres. They must imbue themselves with righteous spirit and firmly and impartially perform duties strictly according to the rules.

All Army cadres must use the powers entrusted to them by the party and the people in working for the people's interests, intensifying Army building, and wholeheartedly doing more solid work for grass-roots cadres. They should not constantly think of themselves, still less use their position and powers to seek personal gains. We must always remind ourselves of the years of war when many veteran comrades, despite poor material conditions, demonstrated noble spirit and readily shed blood for the people. This is the revolutionary spirit that we must carry forward in the succession of the old by the young.

Yu Qiuli also called on Army cadres at all levels to strengthen unity and respect the leadership of local party committees. He said: PLA units should respect local party committees and governments in executing relevant local policies and regulations.

The all-Army political work forum was opened at a division of the Nanjing Military Region on 1 June. The forum particularly discussed and studied the Army's current political work, and exchaged experiences in stepping up ideological and political work and grass-roots construction.

Attending the forum were Guo Linxiang, Zhou Wenyuan, Zhao Nanqi, Xiang Shouzhi, Fu Kuiqing, Yang Baibing, and Chi Haotian, as well as comrades in charge of political work from all major Army units.

LI PENG ON TRAINING PERSONNEL FOR MODERNIZATION

HK060450 Beijing RENMIN RIBAO in Chinese 1 Jun 86 p 4

[Article by Li Peng: "Train More Personnel for the Socialist Modernization" -- speech delivered at the meeting commemorating the 50th anniversary of the founding of the Anti-Japanese Military and Political College]

[Text] Comrades:

Today, we are holding a grand ceremony to commemorate the 50th anniversary of the founding of the Chinese People's Anti-Japanese Military and Political College. On behalf of the CPC Central Committee and the State Council, I would like to convey our warm congratulations to the meeting, extend our heartfelt respects to the veteran revolutionary comrades who once studied and worked in the college, and express our cordial greetings to the teachers working in all kinds of schools and at all levels throughout the country!

The Anti-Japanese Military and Political College [Kang Da] was founded in 1936. It was a school under the leadership of the CPC for training anti-Japanese military and political cadres. Being a new-type and a most revolutionary and most progressive proletarian school at that time, Kang Da had a great influence both at home and abroad. The historical merits of the college can be summed up as the following: 1) In nearly 10 years it trained more than 100,000 cadres. Spread throughout the country, these "seeds of revolution" made historic contributions to the growth of our party and Army and to the great victories in the anti-Japanese and national liberation wars. 2) Its renovated educational guidelines and exploration of new educational methods created valuable experience for the theoretical education of our party and Army cadres, as well as for the development of the education of the proletariat as a whole. 3) Its work style -- firm and correct political orientation, hard-working and plain-living style, and flexible strategy and tactics -- promoted the building of spiritual civilization in Yanan and in other revolutionary bases.

Over the past 50 years, Kang Da's fine traditions and revolutionary spirit have played a role of educating and encouraging our people to advance forward. Today, when we commemorate Kang Da, our purpose is to carry forward its traditions and promote the building of socialist spiritual and material civilizations in light of the new historical conditions. In particular, we should correctly learn from the college's basic experience in the light of the present educational situation in China in order to promote educational reform and train more qualified personnel for socialist modernization. To this end, we must endeavor to do a good job in the following aspects:

First, we must emulate the old spirit of running Kang Da, attach importance to the training of qualified personnel, and do our educational work well. In 1936, the focus of work of our party was being shifted from the revolutionary civil war to the anti-Japanese national revolutionary war. In that period, it was necessary to reeducate our cadres and train large numbers of new cadres in a planned way. Under such a situation, the CPC Central Committee attached great importance to and showed great concern for Kang Da. Comrade Mao Zedong personally worked out a correct educational policy for Kang Da. He and other central leading comrades also often delivered speeches and lectures in this school. "On Practice," "On Contradiction," and other works were lectures delivered in Kang Da. In 1939, Kang Da ran some branch schools in the enemy's rear areas. The responsible comrades of the party, government, and Army in various areas also showed great concern for Kang Da's educational work. The reason our party attached such great importance to educational work during the revolutionary war period is that through education large numbers of personnel can be trained. This is a very important link in the process of fulfilling the central task. If this link is grasped well, the chain of the revolutionary work as a whole can be promoted. In the period of building socialist modernization, we must attach still greater importance to this successful historical experience.

Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee and the State Council, especially Comrade Deng Xiaoping, have attached great importance to and showed great concern for the training of qualified personnel and the development of the educational cause, and have worked out and implemented a series of important policies, principles, and measures. Since the "Decision of the CPC Central Committee on Reform of the Educational System" was promulgated in May last year, the CPC committees and governments at all levels have become more and more conscientious and active in grasping education. An unprecedentedly good situation has appeared on the educational front. At present, a pressing problem is that the CPC committees and governments at all levels must effectively strengthen their concrete guidance and assistance to educational work under their jurisdiction. Concrete guidance and assistance means: On the one hand, it is necessary to help the schools solve their practical problems, such as those concerning funds, school buildings, and teachers, which should be solved in the course of development; on the other, the main leading comrades must spend some time and make due efforts on this matter and must go to the schools and go deep among the teachers and students to carry out investigation and study and to offer suggestions and methods for the reform of the educational system and the implementation of the compulsory education law, as well as for the solution of all major problems which demand prompt solution in the current educational work, so as to promote this work in a down-to-earth manner.

Last year, after the national conference of party delegates was held, the main leading comrades of the party and governments in many areas and departments went to universities and colleges to explain the spirit of the meeting for the broad masses of teachers and students. They made a very good beginning in strengthening ideological work. We must continue to act in this way. In the future, how the educational cause is developed in an area or department should be regarded as an important criterion to judge the work of the main leading comrades in that specific area or department. Provided the CPC committees and governments at all levels really attach great importance to the training of qualified personnel and grasp educational work as firmly as they grasp econmic work, our educational cause will surely be vigorously developed during the Seventh 5-Year Plan period.

Second, we should carry forward Kang Da's good style of integrating theory with practice, and boldly explore solutions to new problems in socialist modernization. As everyone knows, after the Zunyi meeting, although the rule of "leftist" dogmatism in our party was ended, the style of reading books mechanically and separating theory from practice was not yet thoroughly rectified. Under the guidance of the CPC Central Committee, Kang Da resolutely implemented the correct policy of integrating theory with practiced. All its educational activities were closely linked with the war of resistance against Japan, which was the most pressing problem of the Chinese revolution at that time. To suit the needs of the situation, Kang Da adopted many lively teaching methods, such as elicitation, research, and experiment. Through short-term training, most students, especially Red Army cadres who had experienced the revolutionary civil war for many years, deepened their understanding of the party's policy on the anti-Japanese national united front, as well as on the theories, strategy, and tactics for the anti-Japanese national liberation war. They also received an education in integrating theory with practice, thus enhancing their consciousness in studying and applying Marxist theory.

At present, the Chinese people are engaged in the great practice of building socialism with distinctive Chinese characteristics. Thus, we need to study the new situation and solve many new problems, which are emerging one after another. Only when we study hard and master the basic principles of Marxism in light of the new reality and use them appropriately to explore solutions to all kinds of new problems in economic, political, cultural, and social development can we push forward our cause and Marxist theory. The reason our economic and political situation in both city and countryside is becoming better and better is that we have readopted the Marxist ideological line of seeking truth from facts and integrating theory with practice and have firmly implemented a series of line, policies, and principles for opening up to the outside world and enlivening the domestic economy which conform to China's national situation. Only by further integrating the basic principles of Marxism with China's reality and replacing old and outdated conclusions with new and realistic ones can we further develop the new situation of socialist modernization and continuously enrich and develop Marxism.

In recent years, integrating theory with practice has still been a very weak link in our school education, especially in our theoretical education for cadres.

It is necessary to carry forward the good style of integrating theory with practice, starting with straightening out the guiding ideology for education and improving the contents and methods of education. The problem of separating theory from practice also exists in the theoretical research and propaganda of social sciences. It should be solved earnestly. Party schools and other cadre schools at all levels must pay attention to not becoming organizations merely to grant diplomas and certificates. They should give full play to the superiority of the cadre-origin students, who have rich experience in practice, and, through all kinds of educational activities, guide them to use the basic theories of Marxism to explore and study solutions to all kinds of new problems which have emerged in the course of the reform and modernization drive, so that they can become the most important bases for cadre training in the new historical period.

We must point out that Kang Da's educational method was basically characterized by short-time training, which suited the needs of the struggles at that time. This kind of short-term training for cadres and workers can also be adopted in the future. However, since we are faced with the new tasks of reform, opening up, and modernization, there ae new and higher demands on the quality of cadres. They have to acquire sufficient basic knowledge and professional knowledge. Thus, systematic study and regular training in a planned way should gradually become the main method for cadre education. During the "Great Cultural Revolution," Kang Da's experience in teaching was seriously distorted. It was used to negate book knowledge and classroom education and to attack the broad masses of teachers and young intellectuals. Such "leftist" mistakes should never be repeated.

Third, we should inherit and carry forward Kang Da's style, enhance our national spirit, and promote the building of the two civilizations. In essence, the good style of Kang Da's teachers and students in respect of political orientation, work style, and strategy and tactics reflected the dynamic mental attitude of the Chinese proletariat at the critical moment concerning the destiny of the Chinese nation, or the mental attitude of our great nation in the period of ascendence. This kind of dynamic mental attitude is needed not only in the years of revolutionary war, but also in peacetime construction. In those years, by carrying forward the Kang Da style, our party and the revolutionary troops under its leadership successfully stood the severe tests in an environment of war. Today, under the new historical conditions of opening up to the outside world and enlivening the domestic economy, provided we inherit and carry forward the Kang Da style, we will surely be able to effectively resist the corrosive influence of the decadent capitalist ideology and the remnant feudal ideology and arouse the national spirit of the Chinese people, which is characterized by working hard to make advances, being firm and indomitable, and being bold in blazing new trails. We will surely be able to achieve new victories in our cause.

In the period of building socialist modernization, since the historical conditions have changed, there must also be some new contents in the Kang Da's style.

Today, for the broad masses of party members, cadres, and people, a firm and correct political orientation means firmly and resolutely adhering to the four basic principles and implementing the party's lie, policies, and principles mapped out since the 3d Plenary Session of the 11th CPC Central Committee, so that what they say and do can serve the needs of fulfilling the party's general task and general target; an industrious and simple style of work means building up the country andd running all businesses through thrift and hard work and going all out in work with an indomitable spirit, fearing neither hardships nor difficulties in all reform and construction projects, so as to achieve our final goal; and flexible stategy and tactics means proceeding from our real situation in working ouat policies and methods for our work, paying attention to making scientific policy decisions, improving the art of leadership, and correctly handling various relationships and contradictions in our modernization drive. This good style is a powerful mental strength for us to fulfill the Seventh 5-Year Plan and to realize the four modernizations. In essence, it is entirely in keeping with the requirement of having ideals, morality, cultural knowledge, and a sense of discipline. All schools, organs, enterprises, Army units, and other organizations must regard carrying forwary the Kang Da style and meeting the above-mentioned requirements as an important content of building socialist spiritual civilization and must grasp it well. We must make the Kang Da style shine with dazzling splendor in our new era!

Fourth, the broad masses of intellectuals should emulate the spirit of the teachers and students of Kang Da in the old days, forge ties with workers and peasants, and use their wisdon and talent to invigorate he Chinese nation. Yanan was a sacred place of the Chinese revolution in those years. In Kang Dan, there gathered a group of fine sons and daughters of the Chinese nation. Among the students, there were long-tested worker-peasant cadres as well as young intellectuals coming from various parts of the country and from abroad. Among the teachers and administrative staff, there were revolutionized intellectuals, and intellectualized worker-peasant cadres as well. With a common revolutionary ideal, both the teachers and the students were on very intimate terms with one another, and both were benefited by teaching. After graduation, the students further combined themselves with workers and peasants and boldly shouldered heavy tasks in order to achieve victory in the national liberation war. Intellectuals, combining themselves with the masses of workers and peasants, are an important guarantee for the victory of China's new democratic revolution.

During the "Great Cultural Revolution," under the influence of the erroneous theory of "continuing the revolution under the dictatorship of the proletariat," the correct principle of intellectuals combining themselves with the masses of workers and peasants was seriously distorted, becoming a tool to despise knowledge and persecute intellctuals. After the 3d Plenary Session of the 11th CPC Central Committee, this kind of "leftist" mistake was correctly by our party.

In the period of building socialist modernization, intellectuals a have become a part of the proletariat. The combination of intellectuals and the masses of workers and peasants has also been vested with a new meaning. "Combination" mainly refers to: 1) intellectuals going deep into the realities of life and using their knowledge and talent better to serve the modernization drive; 2) intellectuals making friends with the masses of workers and peasants in social practice, both respecting and learning from each other so as to advance shoulder to shoulder.

Many intellectuals have displayed valuable qualities in their work and life. The masses of workers and peasants should also learn from them. However, some weak points of the young intellectuals, such as being divorced from reality, aiming too high, and instability in their enthusiasm, can be effectively overcome only when they get in touch with reality and come close to the masses of workers and peasants. Over the past few years, the broad masses of intellectuals in our country have made a new step forward and achieved great successes in combining themselves with the workers and peasants. For example, some experts and scholars have taken an active part in policy-making activities for state and local economic and social development and provided consultative services; some theoretical workers in various fields, such as economics, law, political science, ethics, psychology, sociology, and management science, have gone deep into the realities of life to carry out investigation and study so as to provide suggestions and materials on a scientific basis for the reform and construction on various fronts; in order to carry out the "spark" plan, some scientists and technicians have voluntarily gone to work in the countryside and poor mountain areas so as to popularize scientific knowledge and spread advanced technology there and help these areas develope township enterprises; more and more scientific research organizations and universities and colleges have established ties with enterprises so as to closely relate scientific research to production, to turn the achievements in scientific research into a productive force as quickly as possible, to promote the renewal of products, and to increase economic returns. Last year, the central and state organs selected some 3,000 cadres to form a lecture group and sent them to localities to help the latter train the teachers, making marked contributions to the development of the educational cause there; some university and college teachers and students have made use of their holidays and fieldwork periods to carry out investigation and study in grass-roots units, and helped these units solve certain technological problems and explore all kinds of problems concerning social development; and many literature and art workers have visited factories, villages, and border sentry posts and given enthusiastic performances for the workers, peasants, and soldiers there. The broad masses of intellectuals have further broadened the field of vision, enhanced their vigor, and increased their ability in the course of getting in touch with reality and serving the workers and peasants.

As both the urban and rural reforms in our country are being carried out in depth and the construction in various fields is being promoted, there is an increasing need for knowledge and a higher demand on intellectuals. This is progress in history. The broad masses of intellectuals must get a clear understanding of this trend and must never slacken their efforts and cease advancing. In the world of today, science and technology are developing and bringing about charges with each passing day. In order to catch up with and surpass the world's advanced levels, we must study, study, and study some more. The broad masses of intellectuals in our country will surely perform their historical duties well and make a great contributions to the rejuvenation of China!

Comrades, many participants in this meeting are from military academies and schools. We hope that these academies and schools will set a good example in inheriting and carrying forward the Kang Da Spirit. Being the highest military institution, the National Defense University has a particularly important responsibility. Kang Da trained large numbers of outstanding military commanders and political workers.

Our National Defense University and other military academies and schools must learn from Kang Da and, taking "being oriented to the needs of modernization, the world, and the future" as the guiding policy, endeavor to bring up large numbers of highly qualified military personnel who are capable of directing modern warfare and large numbers of highly qualified political workers who have rich experience in running the Army, so as to make new contributions to the modernization of our national defense.

Comrades, the best way to commemorate Kang Da is to take real action. Let us all go into action, carry forward the Kang Da spirit, and push forward our great cause of socialist modernization!

RENMIN RIBAO ON FREE ECONOMIC DISCUSSION

HK061211 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 6 Jun 86 p 2

["Special commentary" by Chen Daisun: "Exploration and Blazing New Trails in Economic Theories and 'Letting a Hundred Schools of Thought Contend'"]

[Text] The reform of the economic structure now under way has touched upon a thousand and one aspects, and posed many questions which we did not dare think about prior to bringing order out of chaos. Here, there are questions concerning academic theories as well as social practice. History has not provided us with ready answers for these questions, neither have socialist countries of our contempories provided us with any mature experiences. The earnest exploration of these questions has become the unshirkable duty of our economic circles today.

Economics is a branch of applied science. Over the history of economics development, all economic theories through the ages, without exception, started from the demand of solving the economic problems of their times, which shaped into an understanding of the movement and law governing the development of certain economic phenomena, and in turn served the economic practice of their times in the form of concepts, advocations, and policies. Study for the purpose of application actually means integrating theory with practice.

We have acknowledged and advocated linking theory with practice in words over the past few decades. However, it is precisely in the academic exploration of economics, in which the principle of studying for the purpose of application should be implemented, that the grave mistake of divorcing theory from practice has been committed. Among us, ther were some poeople who were satisfied with inference from one theory to another, and others who were used to scholastic debate copiously quoting authoritative works. I do not deny the necessity for clarifying economic concepts, neither do I oppose referring to the results of our predecessors in their scientific exploration. But if the former should become a game of concepts, and the latter some dogma not to be violated, it would not be any help to the practice of our economic reform and the development of enriching our economic theories.

Under the closed conditions before the late 1970's, people were rather accustomed to the situation of a lack of theoretical exploration and the fear of blazing new trials in practice, and it seemed that it would do to cope with shifting events by sticking to a fundamental policy. However, the situation has changed since the late 1970s. With the implementation of the principle of opening up to the world and invigorating the domestic economy, various new conditions and new problems have kept emerging.

Regarding these new problems, the Chinese governments have adopted a series of measures and policies to deal with them, so that it is possible for the steady progress of our reform of the economic structure. But we must also acknowledge that there are still some problems awaiting solution in our economic work, and that in the course of development, we are still to come across many unexpected problems. We might as well take this opportunity to make some self-examination: How many cases have scored a breakthrough in our theoretical exploration of these problems? Have they been capable of going ahead of practice and giving guidance to practice? We should admit that the gap between our theoretical research in the past and the demand of the situation at home and abroad is still wide. In Premier Zhao Ziyang's "Report on the Seventh Five-Year Plan" delivered at the Fourth Session of the Sixth National People's Congress, he made an evaluation of the condition of China's research in economic theory, and said: "At present, our economic research lags behind the reform and economic development; we have not yet been able to evolve new generalizations from the rich practice of reform. We should continue to uphold the principle of integrating theory with practice and give encouragement to those who dare to pioneer in theory or practice. In the meantime, we should learn from all other countries, including the developed capitalist countries, by drawing on their advanced methods of economic management, which reflect the laws governing large-scale, socialized production. In doing so, of course, we need to discard all the dross, while assimilating the useful essence. Our purpose is to encourage full development of the country's socialist commodity economy." I am in full agreement with this evaluation.

How can we change this backward state and encourage our theoreticians to bravely carry out thorough study and blaze new trails so as to provide a theoretical basis for further practice? This is a question one will naturally raise after the above reflection. The answers to this question may be manifold. But, in my opinion, a crucial prerequisite is the availability of an atmosphere and environment which will encourage people to think independently, blaze new trails bravely, discuss freely, and convince others by reasoning, and which will "let a hundred schools of thought contend."

The policy of letting a hundred schools of thought contend" was officially put forth 30 years ago. However, we have encouraged twists and turns in implementing this policy during the past few decades since it was put forth. An anti-rightist movement was launched the year after the policy was put forth. And the policy actually became invalid as soon as the term "a hundred schools of thought" was interpreted as "two schools," namely, the proletarian school and the bourgeois school. And the policy was simply ignored during the period of the "gang of four."

The 3d Plenary Session of the 11th CPC Central Committee reiterated the policy of "letting a hundred flowers blossom and a hundred schools of thought contend." After that, central leading comrades have emphasized again and again, on various occasions, that it is necessary to resolutely implement the "principle of three do nots" [do not pick on people, do not put political labels on people, and do not wield big sticks], to emancipate people's minds, to break away from superstitution, to seek truth from facts, and to encourage people to voice different opinions and discuss them. These principles are completely correct and necessary. To be sure, due to the long-standing influence of the "leftist" ideology on the academic circles, we are still facing different kinds of issues in implementing the policy of "letting a hundred schools of thought contend."

However, an atmosphere which is favorable to free academic discussion has basically taken shape. And, theoretically speaking, some principles that must be upheld in implementing the policy of "letting a hundred schools of thought contend" also seem to have been accepted, such as the principles that academic views should not be confused with political concepts; debate between different views and between different opinions is the right way to understanding truth in theoretical exploration; everybody is equal before truth; one must never convince others by coercion but by reasoning; one must not agree that whoever holds power holds truth; and so on.

However, we must also be aware that there are still some specific issues unsolved although the cardinal principle has been approved. On the surface, it seems that all these are academic issues, but, in fact, any wrong interpretation of these issues may distort the cardinal principle. Such an effect is particularly conspicuous in the field of economics.

First, what are economic theories? Normally this should have been quite clear to everybody. Perhaps nobody would object to the definition if we said economic theories are nothing but understanding and description of the laws of economic operation which are derived from the analysis of economic practice and are ready to be fed back to economic practice so as to verify their validity. However, questions will arise as soon as the economic theories are applied to economic operation. We have often seen people simply equating economic theories to even the economic thoughts and theses that are mentioned in the Marxist-Leninist classics, especially "Das Kapital." This narrow understanding actually totally negates all the theories relating to different specific branches of economics. Have we not often heard people say that the theory for a certain branch of economics (say, finance, banking, and so on) is nothing more than the application of political economy to this specific branch? If we reduce the theory of political economy to the relations of production and then interpret the latter as the specific relations between classes or even class struggle, the study of the theories relating to different branches of economics will eventually be reduced to seeking specific class struggle and the law governing class struggle. Such being the case, all the knowledge resulting from the study of the law of operation and development of these economic branches will be totally negated. Furthermore, since the classics do not provide any living examples that fit the issues in these fields, the study of the theories relating to these fields will inevitably be downgraded even though it is not classified as a forbidden area. We do not deny that the economic theories that are found in the classics are basic theories, and that basic theories are the most important ones. But, after all, basic theories are general theories. And we must admit that, apart from general theories, there are also specific theories belonging to different branches of economics.

Second, because theories are put within the above frame, it is easy for them to become mystical, inviolable, and sacred -- those which cannot be found in classical works are all fallacies, to say nothing of those which seem contradictory to classical works. We should agree to this point: Conclusions in classical works are correct not because they were conclusions of the "sages" but because they have been proved correct in practice.

In his article "Rectify the Party Style," Comrade Mao Zedong advised the whole party that it should not take Marxist theory as a "sterotyped dogma" or take "individual words and phrases in Marxist-Leninist books as a ready-made panacea with which all sicknesses can be cured without any effort." We should bear this advice in mind.

Third, how should we differentiate between economic theories and economic policies? The mysticization of theories creates obstacles to free academic explorations, and rendering the practice discussion about policies is a political mistake, which will impose severe restrictions on the policy of "letting a hundred schools of thought contend." Economic theories are the basis of economic policies, and economic policies are the practice of economic theories. Theories should be examined in the practice of policies, and policies should obtain evidence and guidance from the explorations of theories. If people are not allowed to comment on economic policies and their results, the exploration of theories will be meaningless. It is true that economic policies must be implemented upon their promulgation. But if people are not allowed to discuss the correctness and feasibility of these policies, how can these policies be revised? Some people have suggested that discussion of policies should be conducted within a restricted scope. This idea is acceptable but not explicit. Should the discussion be restricted only within policymaking organs or can it be conducted with more people taking part? Should different people participated in the discussion on different policies? In short, to pool collective wisdom and useful ideas and to discover more problems, it is necessary to make theoretical explorations of our economic policies, both the present and future ones. This is beneficial to selecting, examining, and perfecting our economic policies.

Fourth, the relationship between "contention of a hundred schools of thought" and "bourgeois liberalism." At present, the phrase "bourgeois liberalism" is being widely used. However, its meaning does not seem to be very clear and concrete, and the people's understanding of its also varies. Thus, it is quite possible that all ideas and views, which are different from the people's traditional understanding, may be labeled as "bourgeois liberalism" during the "contention." In economics, it is especially possible that this may occur. Although over the past few years, people have been encouraged to make bold explorations and the atmosphere in academic circles has been greatly improved, the lingering fear resulting from the 10 years of turmoil has not yet completely disappeared in the academic circles. If there is not a clear definition for "bourgeois liberalism," it will become the sword of Damocles over the heads of people in academic circles, and will be harmful to the exploration of new ideas on economic theory and practice. Truth becomes clearer through debate. In the ideological field, we must believe that truth will finally defeat falsehood. Contention is the right road to follow in order to ensure that truth will win. Suppression is, in reality, an expression of weakness, or neurasthenia.

In short, we have a common goal, that is, to promote the four modernizations and build our motherland into a socialist country with a high degree of civilization and democracy. We are now in a period of reform of the economic structure, a turning point in history. As in other academic fields, in the field of economics, we must pool the wisdom and efforts of everyone and carry out bold explorations in theory in order to blaze new trails in practice. We must effectively implement the policy of letting a hundred schools of thought contend" and change the current situation of economic theory lagging behind practice, so as to promote the further development of the reform of the economic structure.

FOREIGN CRITICISM OF CHINA LITERATURE SHOULD BE ANALYZED

HK080812 Beijing RENMIN RIBAO in Chinese 5 Jun 86 p 1

["Today's Talk" by Kie Yun: "Another Kind of Normalization"]

[Text] Comrade Wang Meng said recently that he wished there were three kinds of normalization in literary and artistic criticism; normalization of literary and artistic criticism: normalization of writers and artists attitude's toward criticism; and normalization of reports on China's literary and artistic criticism by foreign friends and reporters. Well said! Besides supporting this viewpoint, I also wish that there were normalization of attitudes toward the reaction of people outside China to our literary and artistic creations and criticism.

Our literary and artistic creations and criticism have evoked repercussions among the Chinese and foreign people outside Mainland China. The matter deserves attention. Occasionally, there may be some abnormalities. For example, when an essay or commentary is highly commended by certain people, a diametrically opposite view is taken, and the essay or commentary is considered questionable. Consequently, the author gets into trouble. Here is another case: When an article or commentary is praised by certain people, its social status rises suddenly. The two cases indicate a common tendency. Too much stress is put on the people's views outside the mainland without making a careful study ourselves.

In my opinion, we should adopt the following correct attitude: Whatever the political attitude of the people outside the mainland may be, we should not draw a conclusion from their reaction, but should use our brains to make an analysis (first, make an analysis of our essays or commentaries), draw valuable experience from their views, discard the dross, make necessary explanations on misunderstandings, and disregard or refute views with evil intentions.

'PHOBIA' OF FOREIGN CULTURE, IDEAS NOTED

HK080629 Beijing XINHUA Hong Kong Service in Chinese 0658 GMT 7 Jun 86

[Text] Beijing, 7 Jun (XINHUA) -- The well-known cultural figure Yang Xiguang publishes an article in today's GUANGMING RIBAO proposing that while opening up to the world, China should overcome its phobias and act with boldness and vigor in abosrbing new culture, ideas, and concepts from the world.

Yang Xiguang, who was formerly chief editor of GUANMGMING RIBAO and is now adivser to the paper, says that on the question of importing things from abroad, people do not feel a heavy ideological burden in importing modern science and technology from the developed countries, together with the management science that has developed under the impetus of modern science and technology; as regards philosophy and social science, they are also relatively at ease in their minds over importing classics from ancient Greece and Rome and those of the 19th century, together with world-renowned works. However they are somwhat apprehensive regarding the trends of thought and theories of various sects in the world worker movement, the new ideas and concepts (including new methodology in social science studies), and modern education systems and so on that have formed on the modern material foundation, and even refuse to import and absorb these things.

Yang Xiguang says that this state of affairs should be changed. He advances two main reasons for this: 1) These new ideas, concepts, and methodology are closely linked to the modern material foundation and the modern science and technology of the developed countries. If we are separated from them, it is hard for us to gain all-round understanding and make all-round evaluation of the most advanced and newest things, and thus it is hard to bring into still better play the role of imported science and technology. 2) China's reform is an all-round reform, which has to be carried out not only in the economic structure but also in the political system and in ideas, cultural concepts and so on. Hence, we should on the one hand sum up and apply the new experiences and achievements gained since the 3d Plenary Session of the 11th CPC Central Committee in bringing order out of chaos and carrying out reform of the economic structure, and on the other hand, we should absorb the fruits of the newest ideas and culture and those that are most useful for China, which have formed on the modern material foundation of the developed countries. We should integrate these two things, continue to eliminate the narrow-minded ideological concept of small producers, and stimulate and promote the country's four modernizations drive.

Yang Xiguang says that naturally, importing these things does not mean mechanically copying them but modifying, digesting, and absorbing them in connection with China's conditions. This requires that a process be undergone. However, the premise is to import these things; otherwise, we cannot understand them.

Yang Xiguang proposes that in importing culture, we should currently focus on resolving the phobia that cultural import will affect the development of national culture. He says that this phobia is unnecessary. Take, for instance, the Han and Tang Dyansties and the period after the Song and Yuan Dynasties; all these periods witnessed relatively extensive cultural exchange with foreign countries, which resulted in promoting China's national culture, not in wrecking the country's outstanding culture. Since we have a rich and deep-rooted culture, the culture imported from abroad can be fully integrated with our national culture and develop a new national culture; it cannot be that "the secondary will supersede the primary."

FUJIAN'S HU PING ON PAYING ATTENTION TO WORLD MARKET

OW080802 Fuzhou Fujian Provincial Service in Mandarin 1030 GMT 7 Jun 86

[Excerpts] When Governor Hu Ping concluded his 6-day inspection tour in Zhanghou City, he told the responsible comrades of the Zhangzhou City CPC Committee and the city government: Zhanghzou has a good climate and a favorable geographic location. All of these favorable conditions have not been brought into full play. Many of the families in Zhangzhou have relatives living in Taiwan. Closely related with Taiwan, the city plays an important role in realizing the concept of "one country, two systems."

Governor Hu Ping said: Zhangzhou should become an important base area in the production of grain crops, nonstaple food, fruits, and aquatic products, in earning more foreign exchange and in doing work with regard to Taiwan.

On bringing the favorable conditions into full play, Governor Hu Ping emphatically pointed out:

1. It is necessary to further open the province to the outside world and truly turn Fujian's economy into an export-oriented one.

2. We must attach great importance to the international market, and supply whatever the foreign countries need. We must not think about Hong Kong and Macao only, but also consider the world market.

3. It is essential to persistently carry out reform. You have built a development center, a form of reform itself. You have done well in producing fruits and aquatic products; however, you should exert even greater efforts in developing rural enterprises and promoting family industries.

4. It is imperative to form economic associations and establish lateral economic ties.

WAN SHAOFEN AWARDS JIANGXI'S ADVANCED ENTERPRISES

OW072133 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 6 Jun 86

[Text] The Jiangxi Provincial Economic Commission and the Jiangxi Provincial Enterprise Management Association held a meeting in Nanchang on the afternoon of 6 June. The meeting was held to commend 25 outstanding factory directors and managers, 23 outstanding party committee secretaries, and 6 advanced units that won the pioneer's awards for excellent enterprise management.

Present at the meeting were provincial party and government leaders Wan Shaofen, Liu Fangren, Ni Xiance, Jiang Zhuping, Zhao Zengyi, and Liang Kaixuan; and veteran Comrade Fu Yutian. They presented certificates of merit to the award-winning enterprises and individuals.

Liu Fangren and Jiang Zhuping addressed the meeting. They urged all industrial and communications enterprises in the province to persist in reform, invigorate themselves, seriously implement the program for modernizing enterprise management, and ensure good management by improving the quality of products and reducing energy and material consumption. They called on the enterprises to resolutely implement the system of the director assuming full responsibility, seriously improve party style, building the two civilizations at the same time, pay attention to safety in production, and make new contributions to invigorating Jiangxi's economy.

WAN SHAOFEN ON CORRECTING PARTY STYLE IN JIANGXI

OW050858 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 3 Jun 86

[Excerpt] The leading group for rectifying party style in government organs at the provincial level held a meeting at the Jiangxi Provincial CPC Committee auditorium this morning. Those attending the meeting summed up their experience in rectifying party style in the past and made plans for future tasks while tackling the existing problems. Wan Shaofen, Liu Fangren, Jiang Zhuping, (Wang Chaorong), (Li Dean), (Wang Taihua), (Li Sheng), (Liu Zhonghou), (Zhu Zhihong), Fu Yutian, (Wang Tie), (Wang Shaobai), Zhang Xiaoxian, Liang Kaixuan, Liu Bin, Yang Yongfeng, (Wei Xiuying), (Zhu Tanhua), (Lai Tanhua), (Lai Shaoyao), (Zhong Ding), (Wang Lingde), and the responsible comrades of various departments of government organs at the provincial level, totalling some 1,000 people, attended the meeting.

The meeting was presided over by Jiang Zhuping, Standing Committee member of the provincial CPC Committee, vice governor of Jiangxi, and deputy head of the leading group for rectifying party style in government organs at the provincial level. Comrade Liu Fangren, ehad of the leading group for rectifying party style in government organs at the provincial level and deputy secretary of the provincial CPC Committee, delivered a report entitled: "Resolutely Strengthen Our Leadership, Fully Rely on the Masses, and Help Government Organs at the Provincial Level Rectify Party Style." He realistically reviewed the achievements made by provincial-level government organs in rectifying their style of work an the existing problems in this regard. He expressed his views on how to improve work in the future.

Comrade Liu Fangren said: The provincial-level government organs have brought about a fundamental change for the better in work style by raising their awareness and enchancing their confidence; earnestly combating unhealthy trends; strictly handling a number of major and important caes; and improving their own style of work and promoting reforms and economic developments.

Comrade Liu Fangren stressed the following six points in doing work to rectify party style in government organs at the provincial level:

1. Raise our awareness and create a situation with the whole party paying full attention to party style;

2. Concentrate our efforts in handling major and important cases.

3. Play our exemplary role well and continue to correct unhealthy trends in various leading organs;

4. Rely on the masses to earnestly correct unhealthy tendecies existing in various trades;

5. Strengthen basic education on party style, party discipline and party spirit.

6. Strengthen leadership, resolutely correct party style, and simultaneously develop the two types of civilization.

Wang Shaofen, secretary of the provincial CPC Committee, made a speech at the meeting. She said: Acting upon the directive recently issued by the central authorities that we must be resolute and persistent in correcting party style, the provincial CPC Committee had called for efforts to vigorously correct party style in Jiangxi in order to bring about a fundamental change for the better in party style and improve the general atmosphere in society.

She said: All the people in the province must unite as one, pool their efforts, and simultaneously develop the two types of civilization. We must do a good job in rectifying party style while trying to deelop our economy. We urge all the people to speak the truth, do actual deeds, and try their best to more fully fulfill this year's tasks.

SHANDONG SECRETARY INSPECTS SOUTHERN AREAS

SK071302 Jinan Shandong Provincial Service in Mandarin 2200 GMT 6 Jun 86

[Text] In his recent investigation of a special subject in the economic work among some cities, prefectures, counties, and enterprises in the southern section of the province, Liang Buting, secretary of the provincial CPC Committee, pointed out: We should focus the current economic work on conscientiously analyzing the economic development situation in he first 5 months of this year, summing up experiences, and trying every possible means to arouse the enthusiasm of the localities, enterprises, and staff members and workers in order to ensure that the people in both higher and lower levels work cooperatively and vigorously to maintain proper growth speed; raise economic results; and firmly, thoroughly, and solidly grasp the economic work in the latter half of this year.

From late May to early June, Comrade Liang Buting successively inspected Zouxian, Zaozhuang, Linyi, Yishui, and Yiyuan areas and some enterprrises, including the Zouxian power plant and the Linyi and (Luozhuang) town- and township-run enterprises, and paid a special visit to the mountainous areas in Yishui County to inspect the situation with regard to the work of supporting the poor.

In the course of investigation, Comrade Liang Buting held extensive talks with the comrades of the local departments concerned on the problems in the current economic work and industrial production, heard the opinions put forward by various departments, and delivered important speeches on relevant problems.

In his speeches, Comrade Liang Buting pointed out: According to my opinions, the economic situation in the first 5 months of this year was good. When compared to the demands for the province's overall situation in the first year of the Seventh 5-Year Plan period, the province's industrial production situation in the first 5 months of the year was not ideal enough. Only when we set forward and thoroughly analyze the problems can we apply measures suitable to the situation to solve the problems, can we better grasp production in the latter half of the year, and can we maintain a sustained, steady, and coordinated growth rate.

Comrade Liang Buting said: Agriculture is the foundation of the entire national economy, while industry is the leading factor in the province's economic development. Our failure to promote industrial production can have a direct impact on the development of all undertakings. Only when we maintain a certain growth rate can we ensure progress in financial, marketing, and construction undertakings and reform work.

Comrade Liang Buting said: The third quarter will begin soon. Viewing the previous periods and situations, we realize that industrial production in the third quarter of each year showed severe declines.

Under the situation in which the industrial production in the first half of this year was far from the planned target, no situation of decline must crop up in the third quarter of the year. There are more than 200 days left in this year. Therefore, we must start from now and work hard to change the situation of decline. We must try every possible means to ideologically and practically make full preparations for, to formulate appropriate policies on, and to provide sufficient materials for the industrial production in the third quarter in order to firmly, thoroughly, and solidly grasp the economic work. We should resolutely break old conventions and change the passive tendency in which industrial production showed declines in the third quarter of the year, instead taking the initiative to work hard in order to overfulfill the annual industrial production plan.

Comrade Liang Buting stressed: We have asked for a substantial growth rate. That is, speed, quality, and efficiancy must increase at the same pace. We should prevent the tendency to concentrate on speed to the neglect of quality and efficiency, and create conditions for enabling the economic work to develop along a sound path.

With regard to the issue of how to better grasp the industrial production in the latter half of the year, Comrade Liang Buting pointed out: At present, we must bring into plan the subjective activity and creativity of the people and arouse the enthusiasm of the localities, enterprises, and staff members and workers. We must rely on ideological work and good policies to arouse the enthusiasm of the people. It is impossible for us to arouse the people's enthusiasm if we do not conduct ideological work or provide the people with appropriate policies. In line with actual conditions, all localities should formulate policies suitable to the development of industrial production. All localities should be farsighted and allow flexibility to formulate the policies, and ensure the implementation of the polocies that have been formulated but not make unpredictable changes in the policies. Of all the policies, the most important one is to realize good promise to enjoy the confidence of the people.

RUI XINGWEN MEETS SHANGHAI MINORITY NATIONALITIES

OW072136 Shanghai City Service in Mandarin 0000 GMT 7 Jun 86

[Text] The Shanghai Municipal CPC Committee and the municipal people's government gave a banquet to welcome warmly a study-visit group of minority nationalities on the evening of 6 June. Prior to the banquet, Shanghai leaders met with the leader [ling dui] head of duty [zhi ban tuan zhang] and deputy head [fu tuan zhang] of the group. The Shanghai leaders included Rui Xingwen, secretary of the Shanghai Municipal CPC Committee; Huang Ju and Wu Bangguo, deputy secretaries of the municipal CPC Committee; Zeng Qinghong and Mao Jingquan, members of the Standing Committee of the municipal People's Congress Standing Committee; Xie Lijuan, vice major of Shanghai; and Yang Shifa, vice chairman of the municipal CPPCC Committee.

Huang Ju said in a toast: Shanghai belongs to the whole country. Shanghai owes its development to support by the whole country. The municipal party committee and the municipal government recently decided to further strengthen Shanghai's lateral economic ties with all provinces and autonomous regions. There are broad prospects in his respect.

The group will leave Shanghai for Jiangsu on 7 June.

GUANGDONG MEETING ON IMPROVING PARTY STYLE CONCLUDES

HK090411 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 9 Jun 86

[Excerpts] According to NANFANG RIBAO, the 3-day provincial organs' gathering on further improving party style held a summation in the provincial government hall on the afternoon of 7 June. Wang Zhongchun, member of the Standing Committee of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission, gave a summation.

Comrade Wang Zongchun first analyzed the material on two typical examples of party style issues publicized by the provincial CPC Committee. He expounded on the true essence of these two examples and the lessons that should be learned from them. He said: Analyzing the ideological roots of these two typical examples, we find that their problems amount to serious individualism, impure party spirit, and a weak concept of the party. Individualism is the root of all evil. Outbreaks of individualism are frequently the subjective factors in the mistakes committed by cadres and party members and are also one of the fundamental reasons for embarking on a road of crime. Every leading cadre must strengthen his own steeling in party spirit, increase studies of Marxist theory and the party's policies and porinciples, and consciously resist corrosion and corruption by feudalist and capitalist ideology.

Wang Zongchun then spoke on the question of tidying up discipline throughout the province. He said: The focus in tidying up discipline is on the leading organs and cadres at and above country-level. The method of tidying up discipline is, on the basis of seriously studying the documents, to successfully organize democratic life and conduct criticism and self-criticism. Tidying up discipline must be closely linked with investigating and dealing with violations of law and discipline.

GUANGDONG ELECTRICITY SHORTAGE 'BIGGEST HEADACHE'

OW070810 Beijing XINHUA in English 0756 GMT 7 Jun 86

[Roundup: Guangdong Tackles Electricity Shortage -- XINHUA headline]

[Text] Guangzhou, June 7 (XINHUA) -- With one of the highest economic growth rates in China, a shortage of electricity has emerged as Guangdong Province's biggest headache. Guangdong is one of the most energy-short provinces in China; 30 percent of its demand for power can not be satisfied. The province was short of four billion kwh of electricity in 1985. The provincial power department explained that the outdated generating facilities can hardly match the demand from new enterprises, hotels, special economic zones, and the rising standard of living all at the same time.

So, Guangdong will concentrate on the development of electricity in the next five years, said provincial Governor Ye Xuanping in his report on Guangdong's Seventh Five-Year Plan. During the period (1986-1990), Guangdong plans a nine percent annual increase in agricultural and industrial output value, higher than the average national projection of 6.7 percent. To match it, the province expects to have 29 billion kwh in 1990 -- some 60 percent more than in 1985, Ye Xuanping said.

To hit the target, Guangdong is going to form an electricity generating and supply network with the neighboring Guangxi Zhuang Autonomous Region and try to involve foreign funds in the construction of electricity facilities. At the same time, Guangdong has adopted some emergency measures, including importing 53 diesel generators with a total installed capacity of 340,000 kw from Japan and Federal Germany. Most of them have been set up in the Pearl River delta. It is said that by 1990, 60 percent of the electricity in Guangdong will be thermal-power-generated, compared with 40 percent in 1985. Among these new thermal power stations, the Shajiao A generating plant, with a capacity of 1.2 million kw, and Shajiao B generating plant, with 700,000 kw, will go into operation in 1986 and 1987, respectively.

GUANGDONG: GUANGZHOU AUTHORITIES ENDORSE REFORMS

HK070642 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1451 GMT 6 Jun 86

[Report: "Guangzhou Recommends Four Measures in Support of the Reforms" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 6 Jun (ZHONGGUO XINWEN SHE) -- At a time when the rumor that the reformers have been under attack and dismissed from office one after another is circulating in various parts of the country, the Guangzhou city authorities unambiguously state that: The reforms are as difficult to turn back as the flow of water in Dong Jiang. We must support, uphold, and give impetus to the reforms.

This morning, the Guangzhou city authorities invited 13 well-known reformers to a "Forum on Support for the Reforms." At the forum, Xu Shijie revealed: Not long ago, Guangzhou conducted an opinion poll, which suggests that 85 percent of the population has been benefited by the reforms, 17 percent has not benefited from the reforms, and 2.5 has been adversely affected by the reforms.

At the forum, Xu Shijie announced measures of support for the reforms:
1) Enthusiastically select and appoint talented and virtuous people, particularly those reformists with emancipated minds, a pioneering spirit, and the courage to carry out and hold firm to reforms. 2) Overcome difficulties and give impetus to the reforms. The city government should enthusiastically help the enterprises solve the difficulties they encounter in the course of the reforms. 3) Draw clear distinctions and support the reforms. It is necessary to handle, without delay, those visits and accusations concerning the reforms, to pay attention to our methods, and to dismiss those anonymous letters not backed up by facts. 4) Crack down on criminals, ensure the reforms, and carefully and cautiously handle those reformers who have made mistakes in the course of the reforms.

HENAN GOVERNOR STRESSES PLANT MANAGER RESPONSIBILITY

HK090207 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 8 Jun 86

[Text] According to HENAN RIBAO, Governor He Zhukang led responsible comrades of provincial departments concerned to conduct investigations in factories in Xinxiang and Hebi from 3 to 8 June. He pointed out: There are many things to be done in grasping industrial production. The key lies in persevering in reform and putting reform in first place. At present we must lay particular stress on unswervingly practicing the plant manager responsibility system.

This is a very important aspect of the urban economic structural reforms and a key link in making a success of industrial production. Practicing the plant manager responsibility system is the decision of the central authorities and is a major reform in the enterprise leadership setup. Judging by Xinxiang and Hebi, some units have implemented this system relatively well, but many others have encountered some problems in practicing it. There is a variety of opinions regarding the system.

People are allowed to air different views when studying and exploring problems. However, leadership departments and enterprise CPC Committee secretaries must unswervingly implement the central decision. We must apply this decision to unify our thinking and action. In stressing the principle of party spirit, we should, at present, precisely see what attitude is taken toward reforms. This is a test of the party spirit of party-member cadres.

He Zhukang said: We should not demand perfection in those comrades who are active in reform. We must fully affirm their achievements. We must help them to solve problems that arise in reform. We must create a relaxed environment for the plant managers to exercise their powers. Comrade He Zhukang stressed in particular that the enterprises must tap their internal potentials. The prefectual and city leadership departments must boldly take responsibility and go down to the grass-roots. They must analyze each enterprise in view of the current problems in industrial production, help them to devise ways of solving them, and promote industrial production as quickly as possible.

HENAN RIBAO COMMENTARY URGES CORRECT RAISING OF CHILDREN

HK030450 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 31 May 86

[HENAN RIBAO commentator's article: "Explore Family Education, Raise Children in a Correct Way"]

[Text] Children represent hopes. They are not only the hope of parents, but also the hope of our country and nation. The problems of children is small in appearance, but big in substance. In terms of social significance, much attention should be paid to this small problem. However, some families have paid too much attention to this problem, in a wrong way. In these families, children are described as "the sun in life." As a result, children become the small kings of the families. They are arrogant, selfish, lazy, and feeble-minded. In other families, parents raise their children by using money or beatings. They either reward or punish their children. This adversely affects children's health physically and mentally and constrains their individual character.

Families are the first school for human beings. Parents are the first teachers of children. In the school of families, the words and deeds of parents are teaching material for their children and parents play a lasting and imperceptible role that schools and society cannot replace. Therefore, family education is the foundation of the whole education. The whole society is thus required to conduct systematic education. The specialists and scholars concerned must take an active part in investigation and research, compile teaching materials, and provide consultation services. Schools and kindergartens may set up family schools. Educational departments and party and government organs at all levels and mass organizations must strengthen their leadership over the work and give much publicity to knowledge of family education. Parents must not inherit outmoded educational methods, but must learn some knowledge of education, psychology, and physiology. Only by making joint efforts is it possible to train the younger generation into a promising generation so the sum at eight or nine in the morning is worthy of the name.

GUIZHOU CONFERENCE HELD ON RURAL PARTY RECTIFICATION

HK040235 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 2 Jun 86

[Text] The provincial conference on village-level party rectification, which was held from 29 to 31 May, made specific arrangements for village-level party rectification throughout the province. The conference demanded that CPC committees at all levels proceed on the basis of reality in rural areas, arrange work in a meticulous way, give different guidance, and conduct village-level party rectification in a down-to-earth manner, so that rural party branches and party members can meet the requirements of the new situation.

Attending the conference were responsible comrades in charge of party rectification from all prefectural, autonomous prefectural, city, and county CPC committees, responsible comrades from party rectification offices of all prefectural, autonomous prefectural, and city CPC committees, and responsible comrades from the relevant provincial departments. Provincial CPC Committee leading comrades Hu Jintao, Ding Tingmo, Nong Zhiyi, and responsible comrades of the southwest inspection group of the Central Discipline Inspection Commission attended the conference and spoke.

The conference pointed out that the basic requirements and tasks for village-level party rectification are: to grasp the building of leading groups; to strengthen combat effectiveness of party branches; to properly conduct education on party members; to upgrade the political quality of party members; and to strengthen their faith in communism. It is necessary to severely deal with party members, and particularly party member cadres, who grossly violate law and discipline and who seek personal interests by taking advantage of their power, to promote the smooth progress of rural reform and the work in increasing income and becoming better off.

The conference emphatically pointed out that before the start of village-level party rectification in the province, all prefectural and county CPC committees must examine and accept the results in district-level and township-level party rectification. The province, all prefectures, autonomous prefectures, cities, counties, districts, townships, enterprises, and institutions must pay attention to consolidating and developing the results achieved by them in party rectification. In the meantime, they must make more efforts to solve the problems which have not yet been solved in party rectification and the problems arising in grass-roots party rectification.

GUIZHOU GOVERNOR STRESSED LATERAL TIES IN GEOLOGY, MINING

HK060257 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 5 Jun 86

[Excerpts] At a meeting of party secretaries and leaders of geological prospecting teams on 2 June, Governor Wang Chaowen demanded that the geological and mining bureaus strengthen lateral economic ties to speed up the exploitation and use of the province's mineral resources, as a new contribution to meeting the needs of the province's economic construction during the Seventh and Eighth 5-Year Plans.

Governor Wang Chaowen said: Guizhou now has a geological prospecting force of more than 24,000. Reserves of 64 minerals have been proved. However, only 33 of these have been exploited so far. The majority of our mineral resources have not yet been exploited. The geological and mining bureaus must strengthen ties with the departments of metallurgy, urban and rural construction and environmental protection, tourism [as heard], and so on, and take advantage of their strong points in resources and technology in jointly exploiting the mineral resources.

SICHUAN RIBAO COMMENTARY ON COMBATING NATURAL DISASTERS

HK050214 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 3 Jun 86

[SICHUAN RIBAO reporter's commentary: "Persevere in Combating Natural Disasters To Reap a Bumper Harvest"]

[Excerpts] Through the efforts of the cadres and the masses in the rural areas, the reaping of the spring-harvested crops throughout the province is now drawing to an end. An increase in the production of grain and oil-bearing crops can be expected. The transplanting and sowing of spring-sown crops is being increased. The tasks are fairly arduous.

Party and government leaders at all levels and departments concerned must make sustained and redoubled efforts, take effective measures, fully mobilize the masses, do work well and in a down-to-earth manner, and overcome natural disasters to reap a bumper agricultural harvest.

This year, our province had low temperatures and freeze damage in the initial period and later drought occurred in some 60 counties. Drought occurred in some counties in both spring and summer. Since April, there have been serious natural disasters, including wind, hailstones, and violent wind, successively on four occasions and 69 counties were hit by them.

The cadres and the masses in the stricken areas have scored very great achievements in combating natural disasters, rushing to deal with emergencies, providing for and helping themselves by engaging in production, and rebuilding their home villages and towns. However, due to the frequent occurrence of natural disasters which have brought about many difficulties to agricultural production and the masses' livelihood, of the 40 million mu of paddy seedlings which the whole province had planned to transplant, some 10 million mu of paddy seedlings urgently needs transplanting. The tasks of transplanting paddy seedlings in the areas hit by drought and hailstones and the task of changing the type of crops to be cultivated are very arduous. Materials, including oil, electricity, and fertilizers, are in short supply. Rice blast has occurred in some 80 counties throughout the province. It is essential to step up prevention and treatment.

Although production of spring-harvested grain and oil-bearing crops throughout the province has increased, the output of the spring-sown crops accounts for 70 percent of output of the whole year. Now, grain in ear [solar term, approximately on 6 June] is approaching. It is the crucial period for transplanting and sowing spring-sown crops. Party and government departments at all levels in the rural areas must concentrate their main energy and really strengthen leadership over agricultural production. All departments concerned must divide work, hold themselves responsible, try in every possible way to support production of spring-sown crops, and ensure that the time for agricultural production is not missed. It is imperative to promptly supply materials for combating natural disasters and production and to guarantee the supply of electricity in rural areas.

SICHUAN: YANG RUDAI ATTENDS PLA TRANSFER CEREMONY

HK041223 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 3 Jun 86

[Excerpts] The Sichuan provincial representative meeting of advanced units and advanced individuals in placing PLA cadres transferred to civilian work, which had lasted 3 days successfully concluded in Chengdu this afternoon.

The closing ceremony held in the hall of the Chengdu Military Region was attended by Yang Rudai, provincial CPC Committee secretary; Wan Haifeng, Chengdu Military Region Political Commissar; Liu Haiquan, provincial People's Congress Standing Committee vice chairman; Li Peigen, provincial CPPCC Committee vice chairman; Hu Yongchang, provincial Advisory Discipline Inspection Committee member; Cao Qingze, provincial Discipline Inspection Commission deputy secretary; and responsible persons of organs at the provincial level, departments concerned of the Chengdu Military Region, and PLA units stationed in Chengdu.

The closing ceremony was presided over by Shao Nong, director of the political department of the Chengdu Military Region. Provincial government adviser Qiao Zhimin read the commendatory decision of the provincial government and Chengdu Military Region. It was decided to commend 41 advanced units which had scored outstanding achievements in placing PLA cadres transferred to civilian work and training them in our province and 259 PLA cadres transferred to civilian work and advanced individuals who had made important contributions toward the building of two civilizations in our province, and to award silk banners and citations to them.

Zhang Taiheng, deputy commander of the Chengdu Military Region, spoke at the meeting. On behalf of the military regional CPC Committee, the leadership organ of the military region, and all commanders and fighters of the while military region, he expressed heartfelt thanks to CPC committees and governments at all levels throughout the province; to the units which had vigorously accepted, placed, and trained PLA cadres transferred to civilian work; and to all comrades who had been fighting at all posts in placing PLA cadres transferred to civilian work throughout the province.

In his speech, Gu Jinchi, provincial CPC Committee Standing Committee member and vice governor, said: In the work of placing and training PLA cadres transferred to civilian work in the new period, we must meet the needs of modernization of state economic construction and of modernization of the Army, regard reform as the center, and do still better in placing PLA cadres transferred to civilian work in our province so that the requirements for the fulfillment of the party's general task and general target can be suited still better.

SICHUAN ESTABLISHES RELATIONSHIP WITH 7 COUNTRIES

HK040257 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 2 Jun 86

[Text] Our province has seriously implemented the central authorities' policy of opening to the outside world, vigorously done the work in the field of friendly external relations, expanded friendly contracts with the governments and local governments of various countries and friendly nongovernmental contacts, and promoted mutual economic technological, and cultural cooperation and exchanges.

Over the past 5 years, Sichuan Province and cities, including Chengdu, Chongqing, Leshan, have successively established 13 pairs of friendly relationship of our cities with 8 cities, 2 states, 2 ken, and 1 do of France, Japan, the United States, Yugoslavia, Austria, Korea, and Canada and promoted friendship and unity with the peoples of various nations.

Since 1981, the whole province has received 208 delegations and groups of friendly personages coming from the friendly cities. These delegations and groups comprised some 2,300 people. The provincial tourism departments have received tourism groups, comprising some 2,500 people, of various countries.

Our province has sent provincial and city delegations and economic and trade investigation groups on many occasions to visit the friendly cities of various countries in order to deepen mutual understanding, friendship, and cooperation.

In the wake of the development of the relationship of the friendly cities, our province has promoted its economic, technological, and cultural cooperation and exchanges with various countries. To date, our province has successfully concluded some 10 items of cooperation. Through the channels of friendly cities, our province has sent some 100 graduate students and nonparty scholars abroad. After completing their studies, many people have become backbone elements of scientific research, education, and medical work. Twenty-one universities and colleges throughout the province have established intercollegiate cooperative relationships with some 70 universities and colleges of foreign countries. The number of graduate students and scientific and technological personnel sent abroad over the past few years reaches some 700. This has played an active part in pushing forward the development of the scientific, technological, educational, and cultural causes of our province.

SICHUAN: DUKOU, YUNNAN SET UP COOPERATION REGION

HK051124 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 4 Jun 86

[Excerpts] On 2 June, eight prefectures and autonomous prefectures in the west of Yunnan Province and Dukou City of our province concluded an agreement on the establishment of an economic cooperation region of a city and eight prefectures and autonomous prefectures of Sichuan and Yunnan to develop lateral economic ties that span regions and are the open type and to speed up economic development in the western area of Yunnan and Dukou City.

Since the end of May, led by Yunnan Governor He Zhiqiang, heads and commissioners of eight prefectures and autonomous prefectures, including Dali Autonomous Prefecture, Chuxiong Autonomous Prefecture, Deqen Autonomous Prefecture, Lijiang Prefecture, Lincang Prefecture, and Dehong Autonomous Prefecture of Yunnan Province, and responsible comrades of relevant departments at the provincial level of Yunnan Province have successfully come to Dukou City of our province to conduct investigation. On behalf of the provincial government, Liu Zhipeng, deputy secretary general of the Sichuan provincial government, and (Zhou Mingxu), deputy director of the provincial economic cooperation office, made a special trip to Dukou to welcome them.

Yunnan Province proposed that an office of the Yunnan provincial people's government in Dukou City should be set up. Our province and Dukou City expressed warm welcome.

YUNNAN CURBS SECTORAL MALPRACTICES AMONG DRIVERS

HK051041 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 4 Jun 86

[Text] With a spirit of daring to tackle tough problems, communications and transport enterprises subordinate to provincial authorities have seriously corrected the sectorial malpractice of seeking private interest by making use of motor vehicles.

This malpractice has been spreading in communications and transport enterprises over the past few years. Some drivers of communications and transport enterprises, subordinate to provincial authorities, collected tips from clients; some were treated to food and wine free of charge when delivering goods for enterprises run by peasants; some colluded with owners of goods in pocketing delivery fees in a disguised way; and some failed to drive buses in accordance with the schedule in order to attend to their own private business, causing many difficulties to passengers. All these malpractices and illegalities have seriously defamed communications and transport enterprises, corrupted the minds of their staff and workers, undermined the unity between workers and peasants, and among staff and workers of communications and transport enterprises, and disrupted the smooth progress of the economic structural reform to a certain extent.

Since the beginning of this year, the CPC group of the provincial communications department has repeatedly studied the problem of curbing sectoral malpractices and made arrangements in this respect. The CPC group of the provincial communications department and the transportation company under the department have made the following decisions: As for the problem of drivers collecting tips, we must first halt the malpractice, then straighten it out, and finally deal with it. As for those who illegally seek private interest by taking advantage of the means of transport of the state in such ways as playing tricks in tonnage and mileage, delivering goods and collecting freight without authorization, and stealing and selling oil and vehicle spare parts, whether in the past or in the future, must be punished for corruption. As for those who engaged in the above malpractices seriously and violated criminal law, they must be punished by judicial organs according to law.

As for those drivers who have poor ideological quality, disregard professional ethics, forget all moral principles at the sight of profits, and refuse to mend their ways after repeated admonition, they must be removed from the post of driver and their driving licenses must be revoked. As for those units which have failed to curb the long-standing malpractice of seeking private interest by making use of motor vehicles, it is necessary to affix the responsibility of the leaders of the units.

In the meantime, the CPC group of the provincial communications and transport department sent a work team to the northeastern Yunnan transport company, about which the masses have a lot of complaints, to seriously investigate and deal with malpractices. All enterprises have also strengthened ideological and political work among staff and workers, and among drivers in particular; formulated corresponding measures and methods; and further set up and perfect the economic responsibility system. Party members and cadres have taken the lead in curbing the malpractice immediately. Drivers have established a noble professional ethic and done their utmost to upgrade the quality of their service and build their good reputation in the transport business. As a result, the collecting of tips and other malpractices have been curbed. According to incomplete statistics, by the end of May, the illicit money turned over to the authorities by the drivers involved in the malpractice amounted to some 70,000 yuan.

OFFICIALS IN PALAU TO NEGOTIATE ON APPREHENDED FISHING BOAT

OW061419 Taipei CNA in English 1356 GMT 6 Jun 86

[Text] Taipei, June 6 (CNA) -- The Ministry of Foreign Affairs [MOFA] of the Republic of China has instructed the Manila office of the Pacific Economic and Cultural Center to send one of its officials to the Palau Islands so as to gain a better understanding of why Palau apprehended a ROC fishing boat and to negotiate for its release, Cheyne J. Y. Chiu, spokesman for the ministry, said Friday.

He said his ministry will take appropriate actions after learning of the facts surrounding the indicent involving the fishing boat Lien Feng Tsai No. 1. There have been various reports about the incident recently but their contents were inconsistent, Chiu said, adding that that is the reason why the Mofa decided to send its Manila-based official to Palau.

COMMENTARY EXAMINES SINO-U.S., SINO-SOVIET POLICY

OW060945 Taipei International Service in English 0200 GMT 6 Jun 86

[Station commentary]

[Text] Winston Lord, the U.S. ambassador to Peking, made some undiplomatic remarks in Washington last week. He pointed out that Communist China is not so friendly to the United States at all, although the American Government has been describing it as a friendly country.

Speaking at the National Council for U.S. Red China Trade, he warned Peking that friends should treat each other as friends and good relations between Washington and the Chinese Communist regime are not inevitable in the future.

Han Hsu, the Chinese Communist envoy to the United States, one of the listeners of Lord's speech was reminded of how unkindly Peking has cut the United States on world issues. For example, Han himself accused Israel and the United States of being responsible for terrorism in the world today. In the United Nations, Red China voted against the United States most of the time. Peking also puts the United States and the Soviet Union in the same category.

Ambassador Lord said, and we quote, attacks on issues of major importance or emotions for us undercut the base of the relationship when friendly countries sign outrageous resolutions in the United Nations, we notice. He was referring to Red China's joining others in the United Nations in condemning the United States for its recent attack on Libya.

While Ambassador Lord deserves congratulations for lecturing his Chinese Communist counterpart on Peking's unfriendly attitude toward the United States, one must point out that it was the United States itself that deceived itself in including Red China on the list of friendly countries.

So far as Peking is concerned, it has never regarded the United States as a friend. Before Washington revised its China policy during the second term of the Nixon administration, the Communist regime regarded the United States as its No. 1 enemy with the Soviet Union coming second.

After the so-called normalization of ties between Peking and Washington, Red China merely made some minor readjustment, reversing the order of the United States and the Soviet Union as its No. 1 and No. 2 enemies.

The readjustment was made with a view to winning greater U.S. assistance for its four modernizations and forcing the Soviets to make greater concessions.

The strategy apparently worked. Washington has offered Peking one kind of assistance after another besides retreating from its commitment ot the defense of the Republic of China on Taiwan.

The Soviet Union has also modified its stand toward Peking. Since the late Leonid Brezhnev offered Red China the olive branch in 1982, the two Communist neighbors have made rapid progress in mending their fences.

As a result, Peking modified its foreign policy again. This time, the name of the game is called independent foreign policy.

Under this new policy, the United States and the Soviet Union are both called hegemonist with which Peking is to unite with and struggle against at the same time. The objective of this equidistance policy to get help form both, which Peking proceeds with building up itself as the leader of the Third World, thus gathering political chips for its eventual contention with both superpowers for world hegemony.

Unfortunately, Washington has yet to fully understand Peking's intentions. The fact that the American Government is still trying to cultivate Peking's friendship shows that the Red China card concept has remained strong in the minds of U.S. policymakers.

RENOWNED VIOLINIST REPORTEDLY DEFECTS FROM PRC

OW070311 Taipei CNA in English 0231 GMT 7 Jun 86

[Text] Taipei, June (CNA) -- A renowned violinist on the China mainland, who has grown disgusted with Chinese Communist rule and longing for freedom in the Republic of China, has arrived in this nation, an informed source close to the government said Friday.

The violinist, identified as Feng Ming-chin, is former deputy concert-master of the Peiping motion picture symphony orchestra and has made famous many music records which are still very popular on the China mainland, the source said on condition of anonymity.

Feng Ming-chin, whose pen name is Feng Ming, is also an expert in research on and teaching of violin theory, it said. A native of Hopei Province, Feng is one of many well-known musicians on the China mainland who were treated inhumanely by the Chinese Communist regime during the period of the Cultural Revolution. He spent one year in solitary confinement and them was sent to a steel plant for re-education, the source said.

The Association of Natives of Hopei Province will hold a reception at the Taipei city hall on the morning of June 8 to introduce the violinist to the people here, it said.

TAIWAN DEPLOYS ANTIMISSILE ROCKET SYSTEM ON WARSHIPS

OW060407 Taipei LIEN HO PAO in Chinese 2 Jun 86 p 1

[Text] Multifunction "jamming rockets," successfully developed by the Chungshan Science Institute, have been deployed to beef up the defense capability of navy ships. This antimissile system can cause the enemy's attacking missiles to "deviate" or "be deactivated."

This antimissile jamming system is composed of 16 launching tubes. Its appearance is somewhat similar to the Army's "Gungfeng [Bee] Model 4-inch rockets. Each tube has a different antimissile rocket designed to effectively counter the enemy's attacking missiles of different guidance systems. It is one of the warships' best defense systems.

According to Britain's Jane's Year Book (1985-1986 edition), the world's technologically advanced countries are all devoting their efforts to develop such defense systems, using a number of different devices to counter the exisiting guidance systems of antiship missiles. For instance, a rocket disseminating an extremely high-temperature curtain of flame is used against antiship missiles with infrared guidance systems, causing them to deviate; a rocket which sends out a electronic jamming wave and a curtain of tin foil shreds is used against missiles with radar guidance systems; and a rocket which discharges thick smoke is used against missiles with television or optical guidance systems, making them "blind missiles."

A military report expert pointed out: Take the Soviet Union's Styx missile for instance. It is dual-guided by active radar and infrared ray's. It is not difficult to counter. In the first place, this missile must ascend to around 300 meters after being launched. This is very easy for the opposite side to detect. After the "identification, friend or for (IFF)" procedure, the radar control system of the oposite side's ship can automatically compute the missile's range and the ship's multitube countering rocket can also automatically adjust its angle of fire and direction. If still more "comprehensive" defense is desired, the ship's firefighting system may shoot water on the body of the ship to lower its temperature and at the same time the ship takes some evasive maneuvers. It will certainly escape the hit. He cited an example: In 1973, Israel's Navy escaped an attack by over 50 Styx missiles by using the multiple countering devices. This deserves our attention.

DENG 'TROUBLE-SHOOTER' ARRIVES IN HONG KONG FOR VISIT

HK070639 Hong Kong SOUTH CHINA MORNING POST in English 7 Jun 86 p 9

[Text] Mr Wang Zhen one of Mr Deng Xiaoping's trouble-shooters, has arrived in Hong Kong for a brief stay with an entourage of 15, after an official visit to Thailand. His itinerary has been kept a secret and he has declined all offers to official functions from the government. However, he will be spending a few days in Shenzhen where his son, Mr Wang Jun, runs a company that deals in arms. At one time there were rumours that the younger Mr Wang might be setting up an arms company in Hong Kong, but the deal never materialized.

This is the second time Mr Wang has visited Hong Kong. He was here last September on his way home from an overseas trip. He is staying at China's official quarters for top officials at 2 Barker Road, near the home of the American Consul-General, Mr Burton Levin.

EFFECTS OF PRC INEFFICIENCY ON FOREIGN INVESTMENT DETAILED

HK060903 Hong Kong TA KUNG PAO in Chinese 6 Jun 86 p 2

["Political Talk" Column by Shih Chun-yu: "'Difficulty of Getting Things Done' Affects Foreign Businessmen's Investments in China"]

[Text] Zhao Ziyang Meets American Businessmen

When meeting with more than 70 people from U.S. business, investment, and law circles, Premier Zhao Ziyang said that China's political situation is stable and people can rest assured regarding investment in China. He reaffirmed that China will protect there legitimate interests of the foreign businessmen who have made investments in China. But he also admitted that the dilatory work style of China's administrative organs is a headache for foreign businessmen.

The dilatory work style of China's administrative organs to which Zhao Ziyang referred is an important problem which at present requires urgent resolution. But this urgent problem cannot be resolved easily and swiftly. This is the biggest complaint foreign businessmen have in the course of China's opening up to the outside world.

Here in Hong Kong we often hear stories told by Hong Kong we often hear stories told by Hong Kong businessmen who have made investments in China and engaged in joint-venture projects with China about the dilatory work style and bureacuratism of China' administrative organs. In China, your anxiousness often meets with their sluggishness. Due to slow access to information, a simple matter will involve the movement of documents, which wastes much time and inflicts unnecessary losses.

Foreign Investment in China Has Slowed Down in the First 4 Months

According to Beijing's GUOJI SHANGBAO, the pace at which China absorbed overseas investment in the first 4 months of this year slowed down compared with that in the previous 2 years. The reason for this is that the size and scale of foreing investment has expanded, involving more and more departments and giving rise to more and more disputes. The "difficulty of getting things done" has become prominent.

The paper points out that economic laws and regulations involving foreign capital must be based on a basic law, and must dovetail and coordinate with each other, only with laws to follow and organs with which to lodge complaints is it possible to create better condition for foreign businessmen to invest in China.

The Defect of Overlapping Administrative Organs

The problem is that the relevant Chinese authorities, central cadres in particular, all know the crux of the question, but they cannot raise efficiency. This is related to overlapping adminsitrative organs and the bureaucratism of some cadres who are indecisive and ask for instructions from higher authorities on all matters. Complaints are often heard about people visiting many administrative organs merely for an official chop on papers. Obviously, if this bad habit of official organs is not corrected, foreign businessmen will hesitate to invest in China. A great number of competent and capable cadres who must be employed now to replace those mediocre ones who dare not take on responsibility, are indecisive, and shift problems and contradictions to higher authorities. Moreover, power must be delegated and assigned to each level and the post responsibility system must be implemented. A matter which should be decided at a certain level must be examined, approved, and decided by cadres at that level, and must not be reported to higher levels and must not be pending for a long time. Administrative organs at the same level must not shift responsibilities onto each other and argue back and forth. Simplifying this kind of administrative organ has become an urgent task.

Make Gradual Improvement Directed Against the Shortcomings

Large cities have done well in improving information facilities, but local cities have been relatively backward in this respect. In a place where making a phone call is not easy, how can people raise efficiency?

Due to lack of experience, talented people, and equipment, the appearance of these shortcomings in a developing country at the beginning stage of opening up to the outside world is unavoidable. In fact, China is now gradually overcoming these shortcomings. Provided that China continuously learns the strong points of advanced countries, trains economic management executives, and learns experience, it can overcome the above shortcomings.

IMPORTANCE OF INDUSTRY GAINS IN RURAL ECONOMY EMPHASIZED

HK090301 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1014 GMT 6 Jun 86

[Text] Hong Kong, 6 Jun (ZHONGGUO TONGXUN SHE) -- It has been learned from Beijing that, according to the latest statistics revealed by the State Statistical Bureau, China has scored remarkable achievements in developing rural enterprises, and their importance in the whole rural economy is growing.

Last year, China expanded the scale of rural enterprses, and rapidly developed enterprises run by townships. On averge, the original fixed assets value of every rural enterprise was increased by 37.1 percent over the previous year. The average increase in number of enterprise workers was 13.7 percent. The processing capability of agricultural and sideline products was also improved, and the number of workers was increased by 15.4 percent over the previous year.

Last year, the gross agricultural output value (excluding industries at and below village level) was increased by 3.4 percent over the previous year in terms of fixed price, the output value of rural industry was increased by 50.7 percent over the previous year. In terms of gross output value in the rural society, the percentage increased from 22.9 in the previous year to 27.6.

The development of rural enterprises and the whole rural economy has given an impetus to the rural transport industry. The conditions and capability of transportation were improved and heightened. Now, China has some 600,000 specialized households engaging in transport industry, accounting for 1.2 percent of total rural manpower. Peasant households now own more than 260,000 trucks and some 4 million tractors. These numbers were increased by 41.4 and 26.5 percent respectively compared to the previous year.

The present problem is that the relationship between supply and demand is not in harmony. In particular, demand grows at a slow pace; producers blindly make goods because they do not have quick access to information; and the product quality is not good enough. Therefore, there has been the phenomenon by which supply temporarily exceeds demand and some products are overstocked.

WEN WEI CRITICIZES JAPANESE HISTORY TEXTBOOK REVISIONS

HK080746 Hong Kong WEN WEI PO in Chinese 8 Jun 86 p 2

[Editorial: "Prettifying Aggression Only Does Harm and Benefits No One -- Comment on the Japanese Education Ministry's Approval of Textbook Revisions"]

[Text] A Japanese organization called "Assembly for Protecting Japanese Nationals" recently compiled the history textbook "Senior High School Japanese History." The textbook, approved by the Japanese Education Ministry on 27 May, prettifies the aggressive wars launched by the Japanese militarists. Quite a number of expositions in the textbook run contrary to historical facts. Not a single word of "aggression" can be seen throughout the textbook. While citing the "theory of the Nanjing massacre as a made-up story," it asserts that "no final conclusion has yet been reached." The attitude of the Japanese Education Ministry has evoked the concern and opposition of the Chinese people and Hong Kong compatriots and also aroused the opposition of knowledgeable people in Japan. The national trade union of teachers and staff members in Japan also issued a statement against the matter.

The savage act of the Japanese militarists in killing 300,000 Chinese compatriots in Nanjing is even described in the confessions of soldiers who took part in the war of aggression against China. The photographs and records kept in the major libraries of all countries are also irrefutable, conclusive evidence. To date, why is the Japanese Education Ministry still trying to encourage certain people to cover up the facts regardless of history? This matter gives us much cause for deep thought.

The responsibility for the aggressive wars should not necessarily be undertaken by the Japanese people today. As a matter of fact, the Japanese nation has suffered a lot from the aggressive wars. Nevertheless, the militarists who launched the wars at that time should be sternly criticized. Without making a self-examination of the aggressive act and without drawing a clear distinction between right and wrong, the new generation of Japanese people will be deceived and militarism will have a hotbed for revival.

It should be pointed out that following World War II, though the upright Japanese people appealed to the public opposing distortion of the aggressive history, the rightist forces were deep-rooted within the Education Ministry and the spirit of militarism refused to leave. The chief compliers of "Senior High School Japanese History" were actually Jiro Murao, former investigation officer of the Education Ministry, and Muramatsu Katashi, a professor at Tsukuba University. The "Assembly for Protecting Japanese Nationals" was an ultra-rightist organization that pulled strings behind the scenes. This organization has always attempted to revise Japan's post-war constitution and resume the activities of the pre-war regime.

The Japanese side reiterated that it will not do anything to hurt the feelings of the Chinese people. The Japanese Education Ministry also sent a delegation and made some "promises" on the textbook issue. It seems that they have not taken any action to keep their word.

The Chinese people treasure Sino-Japanese friendship and peace. They will fight against any word or deed that distorts historical facts, prettifies the aggressive wars, disrupts Sino-Japanese friendship, and sabotages the peaceful undertakings. The sensible and beneficial attitude the relevant Japanese authorities should take is to respect the historical facts and make a self-examination of their history of aggression.

In views of Japan's inappropriate attitude on the textbook issue a year ago, the Southeast Asian countries that suffered from Japanese aggression set up memorial halls and museums, one after another, so that their peoples would never forget the danger and threat of war. It is thus obvious that the attempt to prettify aggression through textbooks will not obliterate the truth of Japan's history of aggression. On the contrary, it will arouse condemnation and opposition of the peace-loving people of Asia and other parts of the world.

Following the criticism made by a Chinese Foreign Ministry spokesman that the "Senior High School Japanese History" runs counter to historical facts and hurts the feelings of the Chinese people and the people of other Asian countries, the Japanese Foreign Ministry explained through its embassy in China that "the procedure to examine and approve the textbook has not yet ended." We hope that Japan will adopt a prudent policy and never approve the textbook, which distorts history.

PRC RELAXES RESTRICTIONS ON ENTRY OF SOUTH KOREANS

HK061007 Hong Kong CHIUSHIH NIENTAI No 197, 1 Jun 86 p 46

[Article by Shih Yu-min: "China Relaxes Restrictions on Entry of South Koreans"]

[Text] We have learned that since 1985, China has adopted a flexible method to allow people who hold South Korean passports to enter the Chinese mainland to visit relatives and friends and talk about business in their capacity as "Chinese with foreign nationality."

There are no diplomatic relations between Beijing and South Korea and often business contacts between them are hindered by North Korea. Over the past few years, South Korean people have tried every means to enter the Chinese mainland to tour the country and do business, but they all failed to obtain entry. Even the offers of some large South Korean groups to invest in and cooperate with China were rejected.

Three or four years ago, it was said that a senior official of Tae U Industrial Company Limited, one of the large enterprises in South Korea, secretly visited China and conducted business talks, but he failed to achieve any results. Maybe he did not travel to China with a South Korean passport. Two years ago, the Hong Kong branch of the XINHUA NEWS AGENCY sent letters to foreign reporters in Hong Kong to invite them to visit the mainland. South Korean reporters received the letter, but they did not get visas.

In 1983 and 1984, the Shenzhen Economic Zone was established and developed on a large scale. South Korean goods poured into the Chinese mainland through Hong Kong and South Korean businessmen swarmed to Hong Kong to explore and try to find a way to enter the Chinese mainland for a visit and in search of an investment opportunity. They intended to do so in the Shenzhen Special Economic Zone even if they found it impossible to do so on the mainland. However, they could not find any way to enter.

Beginning in early 1985, South Koreans have been allowed to enter the Chinese mainland semiofficially. The China Travel Agency can serve as an agent to apply for visas for the applicants, but there is one condition -- an applicant must have a relative on the mainland and is required to show a letter from the relative as evidence. He will be allowed to enter in the capacity of "a Chinese of foreign nationality."

If he has no relative or friend on the mainland, the agency will not apply for a visa on his behalf. The applicant has to fill in a form, which is to be examined and approved with a seal affixed by the Guangdong Provincial Public Security Depoartment. Then he will be able to enter Chinese territory. The procedures as a whole are very simple. They take only 3-4 days and cost only 80 dollars. When he enters Hong Kong, the Immigration Department there will affix a seal on his South Korean passport as a procedure of entry, but the mainland frontier station does not affix a seal on the passport. It only does so on the visa issued by the Guangdong Provincial Public Security Department. Therfore, the relevant PRC departments leave no trace on the passport.

China does that in order to satisfy the desire of some South Koreans who have relatives on the mainland for reunion with their relatives and friends. Before the founding of the PRC, many people of the Korean nationality lived in China's northeastern provinces. Quite a few of them have relatives and friends in South Korea who were of the same race but who did not live in the same country. Since the founding of the PRC, there have been no contacts between them and their relatives and friends. Now, China's policy is relatively open. At the beginning, it allowed some Korean decendants living in northeast China to go to South Korea through Hong Kong to have family reunions with their relatives. Later, it allowed those who hold South Korean passports to enter the Chinese mainland through this flexible method and meet their relatives and friends. This has also helped many North Koreans in passing messages to their relatives and friends in South Korea through the Chinese mainland.

If this way of entry is formally opened, many South Koreans will vie with one another to visit China. For South Koreans are very much interested in China, which has just opened after being closed in the past and they are particularly interested in China's larger market with a population of 1 billion people. It is very easy to visit China on the excuse of visiting a friend or relative.

However, since 1986, China has tightened its control over the entry of South Koreans into China. In order to prevent people from claiming false family or friend relationships to apply for entry, in addition to asking South Koreans to attach letters to their application forms, it requires the relatives and friends on the mainland to obtain documents to prove the relationships from notaries in China, or to ask the units where they work to write letters to prove the relations.

Only by doing so can they get entry approval. We do not know whether China has tightened its control on this under the influence of North Korea.

SURVEY SHOWS FEW PRC OFFICIALS CAN BUY COMPUTERS

HK070837 Hong Kong SOUTH CHINA MORNING POST in English 7 Jun 86 Business Post p 1

[By Olivia Sin]

[Text] A wide-ranging survey in China has shown few officials have the authority to buy computers. The survey, conducted by Hong Kong-based Executive Surveys, which recently interviewed 1,565 senior executives in Beijing and Tianjin, shows that only 103 decision-makers have the authority to install personal or microcomputers in their respective organisations. An even smaller number -- about 50 -- can approve the purchase of 13 other office and business products, such as copiers, engineering and banking services.

Executive Survey's managing director, Mr Chris Minter, said this indicated power was still concentrated in a few hands in China. "Decentralisation has not gone as far as people think," he added. But he said there was a large number of officials and professional people who influenced decision-makers.

The survey, believed to be the first of its kind, found one-third of the 1,565 people sampled have "responsibilities" relating to the purchase of computers and other business products. Mr Minter said the survey was conducted jointly with the China Economic Information Corp, a Beijing consultancy firm. The people interviewed included 225 chairman and directors, 279 managers and 693 executives, officers and supervisors in such fields as finance, engineering and machinery. They were interviewed on their reading habits, life-styles, areas of responsibility and awareness of foreign companies. Mr Minter said in view of the wide cross-section of people interviewed, the findings could be taken to reflect the behaviours and attitudes of another two million people holding similar positions in Beijing and Tianjin.

The survey revealed heavy reading of daily newspapers. For instance, half the sample read the BEIJING EVENING POST and 40 per cent read the PEOPLE'S DAILY. The figures for the BEIJING DAILY and ECONOMIC DAILY were 37 per cent and 26 per cent, respectively. Mr Minter said the readerships of local papers were strong compared with the national paper, the PEOPLE'S DAILY. The findings show five per cent are occasional readers of TIME or NEWSWEEK and four per cent read the CHINA DAILY. More than 70 per cent are interested in foreign news and about 50 per cent have shown interest in sports and cultural news.

The findings said 45 per cent of the sample have university degrees and a similar percentage have learned to speak or read a foreign language (either English, Russian or Japanese.)

The survey shows the sample are well-off by Chinese standards. Up to 90 per cent have either a colour or black-and-white television set. More than half own radios, tape recorders, washing machines or refrigerators and eighteen per cent even own video cassette recorders.

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DAILY REPORT

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FURTHER REPORTAGE ON HU YAOBANG DELEGATION IN UK

Thatcher Gives Warm Welcome

OW091132 Beijing XINHUA in English 1118 GMT 9 Jun 86

[Text] London, June 9 (XINHUA) -- Britain greeted visiting Chinese Communist Party General Secretary Hu Yaobang this morning with full military honors at an official welcoming ceremony presided over by Prime Minister Margaret Thatcher. Hu flew into London yesterday to begin a four-nation West European tour that will also take him to Federal Germany, France and Italy.

Hu was warmly greeted at 10 a.m. by Thatcher at the quadrangle of the British Foreign and Commonwealth Office. Shaking hands with Thatcher, Hu said, "I haven't seen you for one year and a half." The prime minister replied, "I'm so thrilled to welcome you here." Thatcher then introduced Hu to the major general responsible for organizing the guard of honor.

The guard of honor was formed by the Second Battalion Scots Guards with the regimental color, the band of the Scots Guards and the corps of drums of the Second Battalion Scots Guards. Hu reviewed the guard of honor, who presented arms in salute. Thatcher then presented to Hu Yaobang senior British officials present at the ceremony.

In turn, Hu introduced to the prime minister Chinese Vice-Premier Li Peng, Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference Fei Xiaotong and others accompanying him.

When the ceremony was over, Mrs Thatcher accompanied Hu on the red carpet to 10 Downing Street, where the Chinese party leader paid a courtesy call on the prime minister.

Holds Talks With Thatcher

OW100040 Beijing XINHUA in English 0029 GMT 10 Jun 86

[Text] London, June 9 (XINHUA) -- The visiting Chinese leader Hu Yaobang discussed East-West relations, Asian issues and bilateral ties with British Prime Minister Margaret Thatcher here this afternoon at 10 Downing Street. An official of the Chinese Foreign Ministry told reporters that the two-hour talks between the two leaders proceeded in a friendly and harmonious atmosphere. He said the Chinese Communist Party general secretary and the British prime minister agreed to make efforts to expand the Sino-British relations in all fields including bilateral trade.

Meanwhile, a spokesman for the British prime minister's office told XINHUA that the two leaders discussed a wide range of global issues, including Sino-Soviet relations, Sino-U.S. relations and the April 26 accident at Chernobyl nuclear plant in he Soviet Union. He said they also discussed the Southeast Asian situation with particular reference to those issues concerning Kampuchea, and the issue of South Africa. The spokesman said the expansion of bilateral trade between Britain and China was covered at their talks, but he declined to give further details.

Chinese Vice-Premier Li Peng, Vice-Minister of Foreign Affairs Zhou Nan and British Foreign Secretary Geoffrey Howe attended the talks. Earlier this afternoon, Zhou Nan exchanged views with British Minister of State for Foreign Affairs Tim Renton on Sino-British relations including the Hong Kong issue.

Meets British Social Democrat

OW091338 Beijing XINHUA in English 1332 GMT 9 Jun 86

[Text] London, June 9 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, discussed international issues of common interest and Sino-British relations with David Owen, leader of the Social Democratic Party of Britain, here this morning.

Chinese sources close to the discussion said Hu and Owen expressed hope that friendly relations and cooperation between the two countries would continue to grow. General Secretary Hu is scheduled to meet chairman of the British Conservative Party Norman Tebbit and former Prime Minister Edward Heath later this afternoon.

Says PRC-UK Relations 'Smooth'

OW091818 Beijing XINHUA in English 1808 GMT 9 Jun 86

[Text] London, June 9 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Communist Party of China, spoke highly of the efforts made by the British-Chinese parliamentary group in the continued development of the friendly and cooperative relations between China and Britain.

Hu said the smooth development of the friendly Sino-British relations was inseparable from the efforts of the British-Chinese parliamentary group. He made these remarks durng his meeting with the group here this morning.

Robert Adley, chairman of the group, said at the meeting that the group has long worked for the improvement of Sino-British relations. "We have very good relations. It's time to cement them," he added. Adley described the agreement on Hong Kong between Britain and China as a fine example to solve through negotiations the issue left over by history. Hu invited British friends to visit China to see how the Chinese people build socialist democracy while building socialist civilization.

Thatcher, Hu Address Dinner

OW100128 Beijing XINHUA in English 0109 GMT 10 Jun 86

[Text] London, June 9 (XINHUA) -- Chinese Communist Party leader Hu Yaobang and British Prime Minister Margaret Thatcher agreed here today that they are pleased with the development in the Sino-British relations and expressed their confidence that the development will continue in the future.

These ideas were expressed at a dinner in honor of Hu Yaobang, visiting general secretary of the Central Committee of the Communist Party of China (CPC), hosted by Mrs Thatcher and her husband Mr. Denis Thatcher at 10 Downing Street.

Among those attending the dinner were Li Peng, member of the Political Bureau of the CPC Central Committee and vice-premier of the State Council, and Fei Xiaotong, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and a world-renowed socialogist.

In her toast, Mrs Thatcher said, "All the guests here tonight prove the vitality of our relations. The range of those relations is impressive." On bilateral relations, she said she was particulary pleased that this afternoon vice-Premier Li Peng signed with Sir Y.K. Pao and Foreign Secretary Geoffrey Howe a memorandum of understanding establishing a major new scheme to bring many more Chinese students to Britain, which, she said, is innovative and practical.

On the Hong Kong issue, she said, "The most striking achievement of creative policy is our agreement on Hong Kong. The continued stability and prosperity of Hong Kong is a vital commitment for both our governments." The prime minister said that she was delighted that implementation of the joint declaration on the future of Hong Kong signed in late 1984 "is going smoothly" and was confident that it would continue to do so.

Mrs Thatcher also expresed admiration for the achievements made and historic changes taking place in China. The year 1986 was an exceptional year for Britain and China, she said, because of Hu Haobang's current visit to Britain and then the historic occasion this October when Queen Elizabeth II makes her state visit to China.

In his reply toast, Hu Yaobang said, "The purposes of my trip are: first, to pay tribute to the great British people and secondly, to contribute my share of promoting the enduring friendly relations and cooperation between China and Britain."

He said: "The moment I set foot on your land, I have been accorded a very warm and ceremonious reception, and today I have had most cordial and amicable talks with you. All this has convinced me that my current visit will achieve all its purposes."

Hu said, "nineteen eighty-six will go down as no ordinary year in the annals of Sino-British relations. We eagerly look forward to the first visit to China by Her Majesty Queen Elizabeth II in October this year." He said that the queen will be accorded a grand and warm welcome by the Chinese people. "Her majesty's visit will mark a new milestone in Sino-British friendly relations," he added.

On the Hong Kong issue, Hu said that the two short visits Prime Minister Margaret Thatcher made to China had led to a major accomplishment: an agreement reached between China and Britain on the settlement of the Hong Kong question left over from the past. "This, of course, owes primarily to the political courage and foresight displayed by you and Chairman Deng Xiaoping," Hu told Mrs Thatcher, adding: "This agreement fully meets the fundamental interests of our two peoples." "What is more, as you pointed out, it sets a good example of peacefully settling international disputes through negotiations, thus winning honour for our two countries," he continued.

On Europe's role, Hu said, "Europe, as an important force in the world that has taken its destiny into its own hands and strongly desires peace, will not only bring benefit to the European people but also contribute to world peace and stability."

Hu Speaks on Europe, PRC

OW100134 Beijing XINHUA in English 0120 GMT 10 Jun 86

[Text] London, June 9 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang said here tonight that Europe is "placed in a position of special importance in contemporary international affairs and on matters relating to peace and development which bears upon the destiny and future of mankind.

This is because of the dual historical feature of Europe, Hu said in his speech at a 10 Downing Street dinner given in his honor by British Prime Minister Margaret Thatcher.

On one hand, Hu explained, "being the cradle of the industrial revolution in the modern world, Britain and Europe as a whole made important contributions to human civilization and remain today one of the world's most advanced regions in the fields of economy, culture and science and technology.."

"On the other hand, Europe was unfortunately the place where the two world wars broke out, which brought untold calamities to the people. Today, Europe is still pregnant with conflicts of a global scale," he said.

Citing an eminent British statesman's remark to the effect that no great nation would leave the question of its own survival at the mercy of others, the Chinese leader reaffirmed that China "fully respects the domestic and foreign policies made by Britain and other European countries in the light of their actual conditions."

"We are glad to note," he went on, "that European countries and people ardently call for peace and do not want to see the scourge of war befall Europe again." "We are convinced that Europe, as an important force in the world that has taken its destiny into its own hands and strongly desires peace, will not only bring benefit to the European people but also contributes to world peace and stability," Hu stressed.

Turning to relations between China and Western Europe, General Secretary Hu pointed out that there was no conflict of fundamental interests between them. "Rather, we share major common interests. We both need peace and seek development in peace. We share the strong desire to increase our cooperation on the basis of mutual respect, equality and mutual benefit," he said.

General Secretary Hu pointed out, "China wishes to see a strong and united Europe. Likewise, Western Europe wishes to see a strong and prosperous China." "We hope and believe that China and Western Europe will live in amity and enjoy close cooperation not only in the rest of this century, but in the next century as well. I am making this trip to Western Europe in the very hope of making some contributions in this respect," said the visiting Chinese leader who has just started his first West European tour with Britain as its first leg.

Further Remarks by Hu

OW100618 Beijing XINHUA in English 0559 GMT 10 Jun 86

[Excerpts] London, June 9 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang said here tonight "the rapid and all-round growth" of Sino-British relations "stands as an eloquent testimony to the beginning of a new stage" in the bilateral relations which are "full of bright prospects"

Speaking at a 10 Downing Street dinner given by Prime Minister Margaret Thatcher in his honour, the visiting Chinese leader described his talks with Mrs Thatcher earlier today as "most cordial and amicable."

It is interesting to note that, after Mrs Thatcher referred in her speech to Karl Marx and Adam Smith, General Secretary Hu said, "Indeed, Britain has produced a galaxy of outstanding thinkers, economists, scientists and writers. Adam Smith was one of them."

He pointed out that Adam Smith's "Wealth of Nations" had enabled the classic political economy of Britain, together with the classic philosophy of Germany and socialist theory of France, to become an important source of Marxism.

On Marxism itself, the Chinese leader said, "The Communist Party of China holds that in order to develop itself, Marxism needs to constantly draw upon and absorb the latest achievements of contemporary human civilization. An advanced philosophy should not be taken as dogma. Rather, it should be an ideological source which spurs people to constantly explore and create and enriches itself in the course of social development."

"What we in China are doing now is to integrate the basic theory of Marxism with China's modernization endeavours and build socialism with Chinese characteristics. Proceeding from such belief, I am sure that our two countries can and should, transcending difference in ideology and social system, work actively to further enhance the friendly relations and cooperation existing between us," Hu said.

He also expressed his sincere hope that Prime Minister Margaret Thatcher would visit China again in the near future, stay longer, see more places and experience more the friendship the Chinese people cherish for the British people.

Further Remarks By Thatcher

OW100642 Beijing XINHUA in English 0616 GMT 10 Jun 86

[Excerpts] London, June 9 (XINHUA) -- British Prime Minister Margaret Thatcher said she was satisfied with the smooth implementation of the Hong Kong accord in a warm welcoming speech during a dinner in honor of the visiting Chinese party leader Hu Yaobang at No. 10 Downing Street tonight.

"Before you have to leave on Thursday," Mrs. Thatcher said, "I want you to see for yourself that Britain is a society on the move, inventive and flexible. We have had some success in the past at winning Nobel prizes -- now we are turning pioneering ideas into prosperity -- and a prosperity that can be shared."

The Prime Minister went on to say that she had seen those qualities in China too, after having visited the country three times. "I know that historic changes are taking place in your country. I was not surprised to learn that Chinese inventions won six gold medals at a recent international exhibition of new technology in Geneva. And the achievements of your space program, including the successful launch last year of a geosynchronous communications satellite, speak for themselves. Indeed, I understand that you will now be launching some of the Americans' satellites for them."

"On Wednesday," Mrs Thatcher said, "You will visit the British Museum where an influential 19th century thinker -- Karl Marx -- spent so much of his time. Had your visit been longer I would have suggested that you also visit Kirkcaldy, the birthplace of Adam Smith. Marx often complained that he was no Marxist. And likewise, there is no direct reference to capitalism in the 'The Wealth of Nations' -- Adam Smith's analysis of economic behavior which Marx too regarded as a classic."

"We both derive inspiration from the past -- there is a shared sense of respect for history in both our countries. But both nations also look to the future and to the young for inspiration," said Mrs Thatcher.

Meets UK Labor Party Leader

OW100220 Beijing XINHUA in English 0139 GMT 10 Jun 86

[Text] London, June 9 (XINHUA) -- Chinese Communist Party leader Hu Yaobang and leader of the British opposition Labor Party Neil Kinnock discussed ways of further developing relations between the two parties when they met here this evening.

Sources close to the discussion told the press that General Secretary Hu of the Chinese Communist Party also discussed with Kinnock the improvement of friendly bilateral cooperation between the two countries in various fields.

During ther 40-minute meeting, at which the opposition party's spokesman for foreign and commonwealth affiars Denis Healey was also present, Hu and Kinnock discussed international issues of common concern and the development of firendly relations between Britain and China.

Zhu Liang, head of the International Liaison Department of the Central Committee of the Communist Party of China, told XINHUA that during their conversation, Hu again extended an invitation to Kinnock for a visit to China.

During the meeting, according to Zhu, Kinnock made some proposals on further developing cultural and economic relations between the two countries.

Earlier this afternoon, Hu Yaobang met and had a brief conversation with the chairman of the Conservative Party Norman Tebbit who exchanged views with Hu on the development of Sino-British relations.

Prior to hs meeting with Kinnock, Hu Yaobang also met former British Prime Minister Edward Heath. They reviewed the development of friendly bilateral relations in the past few years.

Li Peng Meets UK Officials

OW091413 Beijing XINHUA in English 1402 GMT 9 Jun 86

[Text] London, June 9 (XINHUA) -- Trade and economic cooperation between Britain and China will further expand. This was shown during the two separate meetings between Chinese Vice-Premier Li Peng, who is accompanying visiting Chinese leader Hu Yaobang, and Britain's energy Secretary Peter Walker and Trade and Industry Secretry Paul Channon this morning.

During the meeting between Li Peng and Peter Walker, both sides satisfactorily reviewed the cooperation between the two countries in the field of energy and expressed the hope of further development in the oil field. They are optimistic to the future prospects in this respect.

After reviewing the development of trade and economic cooperation between Britain and China, both Li Peng and Paul Channon exchanged view on how to explore new fields of cooperation and talked about the two-way trade between the two countries. Both sides are confident that the existing projects in cooperation between the two nations will be carried on smoothly. The two meetings proceeded in a warm and friendly atmosphere.

Li Peng Signs Memorandum

OW091756 Beijing XINHUA in English 1741 GMT 9 Jun 86

[Text] London, June 9 (XINHUA) -- A memorandum of understanding between China, Britain and the Sir Yue-Kong Pao Foundation aimed at establishing a Sino-British friendship scholarship scheme was signed here this afternoon by Chinese Vice-Premier Li Peng, Sir Yee-Kong Pao and British Foreign Secretary Sir Geoffrey Howe.

Hu Yaobang, the visiting general secretary of the Central Committee of the Communist Party of China, and British Prime Minister Margaret Thatcher attended the signing ceremony at No 10 Downing Street. Li Peng is accompanying the Chinese leader on a four-day visit to Britain.

The ten-year scheme, which starts from April 1987, intends to provide scholarships in the United Kingdom for Chinese students majoring particularly in the fields of science, technology, economics and social science. Under the scheme, the Sir Yue-Kong Pao Foundation and the Chinese Government will each contribute 1.4 million pounds while Britain will contribute 700,000 pounds as well as the cost of management services each year in the ten years.

Scholarships, according to the memorandum, will normally be provided for postgraduates, visiting scholars and research workers as well as for industrial training. Candidates will be selected on the basis of their aptitude.

Li Peng With Trade Council

OW100032 Beijing XINHUA in English 0009 GMT 10 Jun 86

[Text] London, June 9 (XINHUA) -- Vice Premier Li Peng, who is accompanying Chinese leader Hu Yaobang on an official visit to Britain, today expressed the hope that both the Chinese and British sides will make joint efforts to expand China's exports. The volume of China's imports hinges upon that of China's exports, said Li Peng at a meeting here organized by the Sino-British Trade Council (SBTC). The meeting was chaired by Sir Eric Sharp, president of the SBTC and chairman of Cable and Wireless PLC, and attended by British industrialists and businessmen, including those from the 48 group who have long been engaged in trade with China.

Both sides explored the possibility of expanding two-way trade between China and Britain. Vice Premier Li Peng gave an account of the current economic developments in China's policy of opening to the outside world.

British friends put forward suggestions on further cooperation in the fields of coal, steel and transport and communications. They also gave advice in regards with the quality, packing and delivery periods of Chinese exports. They expressed the determination that they would make efforts to increase imports from China.

Referring to the soft loans Britain has recently extended to China, Eric Sharp said at a press conference following the meeting, "the sooner the provision (of the soft loans) was absorbed by the phasing of firm contracts, the sooner we could see to what extent further facilities might be made available." The total two-way trade volumes between Britain and China increased 20 percent in 1985 compared with the previous year, but China had a trade deficit of about 90 million pounds sterling.

Fei Xiaotong Speaks at LSE

OW100016 Beijing XINHUA in English 2350 GMT 9 Jun 86

[Text] London, June 9 (XINHUA) -- A "big leap" in a small Chinese village in the past fifty years represents the advanced model of modernization of China's rural areas, professor Fei Xiaotong, a world-renowned sociologist, told his alma mater here today. Fei, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, is accompanying Chinese Communist Party leader Hu Yaobang on an official visit here.

He gave a talk this afternoon at the London School of Economics and Political Science [LSE], where he had studied 50 years before.

Jiang Cun, a small village on the east shore of the Taihu Lake in the Yangtze Delta in China, became famous after Fei's work in 1936.

Talking in English, Fei introduced the tremendous changes he saw with his own eyes when he visited the village on 12 occasions. He told his schoolmates that "the implementation of the production responsibility system has given fresh impetus to the village and its township industry since 1979."

He said the more important change in Jiang Cun is in the production structure. In 1985, the industrial output value accounted for 60.4 percent of the total, while the agricultural output value made up for 13.5 percent in that village, he said. "Jiang Cun's experience will undoubtedly have an impact on other villages," he said. "China is on the march to become a strong and prosperous country," he concluded.

He then answered questions which covered broad fields in China's social affairs put forward by some professors and students of the school.

On November 18, 1981, professor Fei received in the hall of the school the 1981 Thomas H. Huxley Memorial Medal for his research about Jiang Cun. He was the first Chinese scholar to win such an honor by the Royal Anthropological Institute of Great Britain and Ireland.

Fei Discusses Hong Kong Future

OW100629 Beijing XINHUA in English 0612 GMT 10 Jun 86

[Excerpt] London, June 9 (XINHUA) -- Professor Fei Xiaotong, who is accompaning Chinese Communist party leader Hu Yaobang on a visit here, today had an afternoon tea at the House of Lords with Lord Machlehose of Beoch, president of the Great Britain-China Center. During the 45 minutes of talk, Prof. Fei exchanged views with Lord Maclehose, former governor of Hong Kong, on the future of Hong Kong.

The Chinese and British Government signed a joint declaration in December, 1984, on the future of Hong Kong. According to the agreement, China will reexercize its sovereignty over Hong Kong in 1997.

ZHENG TUOBIN INTERVIEWED ON HU VISIT TO EUROPE

OW061719 Beijing XINHUA in English 1528 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- Zheng Tuobin, Chinese minister of foreign economic relations and trade, said here that China attaches great importance to expanding trade and economic cooperation with West European countries. "We will continue to make efforts in this regard," he said.

The minister said Chinese Communist Party General Secretary Hu Yaobang's forthcoming visit to Britain, Federal Germany, France and Italy will surely promote the growth of political, economic and other relations between China and these four countries, and Western Europe as a whole. In a exclusive interview with XINHUA Thursday, Zheng said he is pleased to see the smooth development of trade and economic cooperation between China and these four countries which have taken positive measures to develop mutual cooperation.

Noting the China enjoys political stability and its policy of opening to the outside world is being carried out in depth, Zheng said, "Our economic reform is going on smoothly and our economic legal system is improving daily, the recent addition being the promulgation of the law on enterprises operated exclusively with foreign capital."

Zheng said he hoped that China and Western European countries would make full use of those favorable conditions while solving the existing problems with a positive attitude and removing obstacles for the growth of trade. He welcomed more Western European entrepreneurs to invest in China.

Speaking of Sino-British trade and economic relations, the minister said Britain is one of China's major trading partners in Western Europe, and bilateral trade has increased rapidly in recent years. He said the 1985 total trade volume reached 1.426 billion U.S. dollars, representing an increase of 20 percent over 1984, while the figure for the first four months this year was 349 million U.S. dollars -- 3.3 percent more than in the corresponding period of last year.

Zheng said that up to now Britain has made an investment of 370 million U.S. dollars in China, involving 13 joint ventures, two jointly managed enterprises and 11 projects for joint exploration of offshore oil. "The British Government has offered China 300 million pounds sterling in soft loans and increased the proportion of grant loans for personnel training, technical exchanges and project feasibility studies."

Zheng said China and Federal Germany have also markedly expanded their trade since diplomatic relations were established in 1972. The trade volume for last year totalled 3.071 billion U.S. dollars, more than 10 times that of 1972 and ranking first in trade between China and Western European countries. "Last year Sino-Federal German trade accounted for 5.1 percent of the total chinese foreign trade," he said. "The bilateral trade volume for January to April this year totalled 1.318 billion U.S. dollars, an increase of 66 percent over the corresponding period of last year." In addition, the minister said, investment by Federal German businessmen had also been on the increase. According to incomplete statistics, he said, "West Germans have established 14 joint ventures in China, including a car project in Shanghai which has achieved good economic returns."

On Sino-French trade and economic cooperation, Zheng said bilateral trade has rapidly increased in the past few years. Last year, China's import volume from France was 591 million U.S. dollars and its export volume, 238 million U.S. dollars. In the first four months of this year, he said, the volume of bilateral trade came to 332 million U.S. dollars, a 38 percent increase over the corresponding period of last year. He noted that last year the two countries signed contracts on importing electric locomotives, power stations, airplanes and telecommunications.

On Sino-Italian economic and trade relations, he said the 1986 trade volume between the two countries topped 936 million U.S. dollars -- 40 percent more than the 1984 figure. From January to April this year, the trade volume reached more than 418 million U.S. dollars, a 31 percent increase over the same period last year. Italy is one of the Western European countries which has long provided China with considerable government loans with preferential conditions, he said. So far, the two countries have signed big-project contracts on building a hydroelectric power station in Panjiakou, a light truck plant in Nanjiang and a power plant in Dagang. In addition, a coal-gas project in Beijing and a seamless steel tubing plant in Tianjin are under negotiation.

Zheng said China's trade deficit with the four countries still remains a problem. "We hope the problem will be resolved gradually through expansion of trade instead of reducing imports. We also hope that the four countries will adopt measures to help China expand exports while increasing their own exports to China," he said. Only when exports are increased can China improve its ability to pay and, therefore, import more, he added.

Zheng expressed the hope that the above-mentioned four countries will further open their markets to China, increase quotas of China's export commodities, and relax restrictions on import licences. Zheng expressed the belief that there exists great potential for economic cooperation and trade between China and Western European countries. The scope of their cooperation in trade and economy will surely be greatly expanded.

XINHUA ON WESTERN EUROPEAN UNION SESSION

OW060928 Beijing XINHUA in English 0652 GMT 6 Jun 86

[Text] Paris, June 5 (XINHUA) -- The four-day session of the Assembly of the Western European Union (WEU) ended here today, with participants calling for a greater say by the seven-nation organization in handling regional and international issues. During the meeting, members of Parliament and officials from Belgium, Britain, France, Federal Germany, Italy, Luxembourg and the Netherlands, expressed their concern that the organization, set up in 1954 to coordinate defence and political issues of Western Europe, has not been functioning properly. It is now "merely a diplomatic instrument" rather than "an organ of decision", they said.

The officials expressed their desire to "revive the union" and shape it into "the European pillar" of the North Atlantic Treaty Organization (NATO) and "the security pillar of the European edifice".

The participants voiced their fears that the Mediterranean area will become a site of rivalry between the superpowers and that conflicts in the region will lead to a wider-scale military confrontation.

The WEU Assembly meeting complained that NATO has overlooked its south flank and adopted a recommendation which calls on WEU to share a greater responsibility for the Mediterranean by supporting joint NATO exercises and coordination maritime surveilance in the region and providing military aids to Portugal, Greece and Turkey.

The WEU meeting criticized the United States for not taking European opinions into account on matters such as the space defence initiative, chemical weapons and the raid against Libya, and maintained that Western Europe should become an equal partner of the United States in NATO. It also called on WEU member governments to insist on existing disarmament treaties, especially the SALT-II and Anti-Ballistic Missile Treaties, and required them to promote without delay negotiations on bans on nuclear tests and chemical weapons.

The WEU Assembly also proposed to set up a European institute for advanced defence studies and asked WEU Council, the administrative body of the union, to consider without delay Portuguese application for WEU membership.

Speaking at a press conference after the meeting, WEU Assembly Chairman Jean-Marie Caro said that the revival of the union should not remain on paper but be turned into action. He said WEU must engage in European defence and disarmament as well as assessing the possible threat to Europe and weapons co-production.

NUCLEAR DISARMAMENT MEETING CONDEMNS ARMS RACE

OW090302 Beijing XINHUA in English 0153 GMT 9 Jun 86

[Text] Paris, June 8 (XINHUA) -- A four-day special meeting of the 5th European Nuclear Disarmament Convention ended here today, with participants expressing grave concern at the militarization of the region as well as of other parts of the world and the arms race. The meeting of 650 representatives from 38 countries from all over the world condemned the U.S. Strategic Defence Initiative and the militarization of space. It also called for the dissolution of military blocks and the creation of nuclear-free zones.

Speaking today at the closing session, Cao Xiaobing, vice secretary-general of the Chinese People's Association for Peace and Disarmament, expressed the strong desire of the Chinese people to work for world peace and for the complete elimination of nuclear arms. He [as received] urged for a halt to the arms race and for the prevention of a new world war. "With the joint efforts of peace-loving people, world peace can be safeguarded," he said.

HU QILI MEETS FRENCH COMMUNIST PARTY PRESS GROUP

OW091236 Beijing XINHUA in English 1206 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, met here today a delegation from the press of the French Communist Party. Hu told the visitors that China's present urban economic restructuring is in fact an all-round reform, involving the economic, educational, cultural, scientific, technological and unavoidably political fields. He expressed the belief that China's economic restructuring will not change the socialist system, since only socialism can make China strong and prosperous.

Delegation leader Francois Hilsum, who is deputy director of the French party organ, "L'HUMANITE", said his delegation got the impression that China's economic restructuring has achieved initial results and the Chinese Communist Party has a firm control of its progress.

ZAIRIAN STATE COMMISSIONER ARRIVES IN BEIJING

OW070758 Beijing XINHUA in English 0738 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- Kengo Wa Dondo, prime commissioner of state of the Executive Council of the Republic of Zaire, his wife and their party flew into Beijing this afternoon for a 6-day official goodwill visit to China. Invited by Chinese Premier Zhao Ziyang, Kengo is the first prime commissioner of state Zaire of to visit China. Zhao Dongwan, chairman of the reception committee and minister of labor and personnel, welcomed the Zairian guests at the airport.

Zhao Ziyang Hosts Banquet

OW071752 Beijing XINHUA Domestic Service in Chinese 1317 GMT 7 Jun 86

[Text] Beijing, 7 Jun (XINHUA) -- Premier Zhao Ziyang pointed out here today that China and Zaire have always respected and trusted each other, their friendly relations are steadily growing, and the cooperation between the two countries in political, economic, and cultural fields is fruitful. Zhao Ziyang made these remarks at a banquet given by him tonight at the Great Hall of the People in honor of Kengo Wa Dondo, prime commissioner of state of the Executive Council of Zaire, and Mrs Kengo.

Zhao Ziyang expressed the belief that Prime Commissioner of State Kengo's visit will surely add a new chapter to the annals of Sino-Zairian friendship. Zhao Ziyang said: The African people are working hard in self-reliance, unity, and cooperation to meet the two-fold challenge to their survival and development. Many African countries are summing up their practical experience to explore correct ways to invigorate their economies and improve the people's living standards in consideration of their actual situations. This widespread trend is greatly inspiring.

He said: The UN General Assembly held a special session not long ago specifically to discuss the critical economic situation in Africa. With resolutions adopted on how to overcome difficulties and develop the African economy, the session has achieved positive results. We are convinced that African countries surely can improve their economic situation, achieve prosperity on the African continent, and make greater contributions to world peace and development. Zhao Ziyang said: A solid friendship exists between the Chinese people and the African people. With the growing economies and the national strength of China and African countries, economic cooperation between China and Africa will expand further with more substance and greater variety of forms, and the cooperation surely will further help promote a common prosperity.

Kengo pointed out in his speech: My visit to China shows that very good friendship, unity, and cooperation exist between Zaire and China. We are glad to see that in bilateral relations, Zaire and China have made progress in exemplary cooperation in all fields.

On the international situation, Kengo pointed out: Zaire adheres to those basic principles indispensable for any forms of peaceful coexistence. Besides, Zaire follows a foreign policy of opening to the rest of the world without any exception and stands for nonalignment and for good-neighborly relations with fraternal African countries. Kengo said: Zaire supports the recent United Nations spcial session on the critical economic situation in Africa. The session reached a political consensus and made the international community aware of the urgency and necessity to adopt a concrete strategy for invigorating the African economy. The Zairian Executive Council and the Zairian people appreciate the support given by the Chinese Government and people to this action concerning Africa.

Present at the banquet to help entertain the guests were Gu Mu, state councillor and chairman ofthe reception committee, and Zhao Dongwan, minister of labor and personnel.

Kengo and Mrs Kengo arrived here this afternoon for a 6-day official friendly visit to China at the invitation of Zhao Ziyang. Prior to the banquet, Zhao Ziyang presided over a formal ceremony at the plaza east of the Great Hall of the People welcoming Kengo, his wife, and party. Amid a 19-gun salute, a military band played the national anthems of China and Zaire. Then, Kengo, accompanied by Zhao Ziyang, inspected a guard of honor of the Chinese PLA's Army, Navy, and Air Force. After the ceremony, Zhao Ziyang had a cordial and friendly conversation with Kengo, his wife, and party in the Great Hall of the People.

Holds Talks With Zhao

OW080838 Beijing XINHUA in English 0759 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Chinese Premier Zhao Ziyang said today that joint investment, co-management, technical and labor services are important forms for diversifying Sino-Zairean verified economic and technological cooperation.

While conferring with Kengo Wa Dongdo, prime commissioner of state of the Executive Council of Zaire, earlier today, Zhao said the two countries should actively explore into these fields and their governments can also take measures to promote the cooperation.

The two sides exchanged views on bilateral friendly relations, the situation in Africa and the Asia-Pacific region as well as other international issues of mutual interest. They expressed satisfaction with bilateral fruitful cooperation and hoped that economic and technological cooperation will be expanded through joint efforts in a direction of permeating in varied forms and different fields.

Kengo spoke highly of China's attention to the South-South cooperation. He also briefed Zhao on Zaire's endeavor to invigorate the economy and its open, non-alignment and good-neighbor policies. The Chinese premier highly appreciated Zaire's policies for independence and non-alignment and against imperialism, colonialism and hegemonism.

During an interview with Zairean reporters after the talks, Zhao described Kengo's choice of making China the first country to visit during his official tours abroad as prime commissioner demonstrates the significance paid to China by President Mobutu Sese Seko, the Zairese Government and Kengo himself. The visit by Prime Commissioner Kengo will surely contribute to Sino-Zairese cooperation in the future, he said. Earlier today, Kengo paid homage and laid wreath to the Monument to the People's Heroes here.

Attends Cultural Presentation

OW081202 Beijing XINHUA in English 1155 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Kengo Wa Dondo, prime commissioner of state of Executive Council of Zaire, and Mrs. Kengo attended a performance of songs and dances and acrobatics sponsored by the Chinese Ministry of Culture here this evening. Mushobekwa Kalimba Wa Katana, Zaire's commissioner of state for international cooperation and foreign trade, held talks with Lu Xuejian, China's vice-minister of foreign economic relations and trade, here this afternoon.

Received by Trade Officials

OW090804 Beijing XINHUA in English 0755 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- Kengo Wa Dondo, prime commissioner of state of the Executive Council of Zaire, expressed the hope today that the economic cooperation between the two governments and unofficial organizations will be strengthened. He said this while meeting representatives from the All-China Federation of Industry and Commerce, and entrepreneurs in Beijing.

Kengo gave a brief account of his country's economic development plan and said Zaire has taken a series of important measures to develop economy including cooperation with foreign dealers, and achieved good results. He asked Chinese entrepreneurs to invest in Zaire.

Gu Gengyu, vice chairman of the Chinese federation, said Chinese industrial and commerical circles are willing to contribute to Sino-Zairian cooperation in the field of economy and technology.

Meets with Deng Xiaoping

OW091000 Beijing XINHUA in English 0949 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- Top Chinese leader Deng Xiaoping today set forth his view on the connection between development and peace during his meeting with Kengo Wa Dondo, prime commissioner of state of the Executive Council of Zaire.

"Development and peace are not separated. The more developed the Third World countries, the more hope for peace," he said. However, "only in a peaceful international environment, could the Third World develop." Deng said that among the many things that China faces, two are essential: one is construction and the other is a contribution to world peace.

Briefing the visitors on China's current economic restructuring, he described the reform as "vital to the country." "The overall economic restructuring centering in the cities determines the fulfillment of China's target of per-capita national income of 800 U.S. dollars by the year 2000 as well as its becoming a "medium-level developed country" in the next century. Over the past year, China's reform has kept a good course," Deng said adding that he believes it is sure to succeed. "The accomplishment of the reform will not only create sound conditions for the country's sustained and stable development, but also good experience for Third World countries," he said.

Kengo told the Chinese leader that China's reform will surely bring about fresh momentum to Zaire's development.

In a cordial atmosphere, Deng asked Kengo to convey his regards to President Mobutu Sese Seko. Recalling thier first meeting in 1974 when Mobutu visited China, Deng said, "We are old friends." He added that Mobutu's many visits as well as Prime Commissioner Kengo's present visit to China have contributed much to Sino-Zairese friendship. Kengo also conveyed President Mobutu's good wishes to Deng.

Leaves for Hangzhou, Shanghai

OW100641 Beijing XINHUA in English 0624 GMT 10 Jun 86

[Text] Beijing, June 10 (XINHUA) -- Kengo Wa Dongdo, prime commissioner of state of the Executive Council of Zaire, his wife and their party left here this morning for a visit to Hangzhou and Shanghai. Chinese Premier Zhao Ziyang went to the Diaoyutai State Guesthouse to say goodbye to the visitors.

Kengo expressed his gratifude to the Chinese Government and people for their hospitality accorded to him during the visit. He also expressed his satisfaction with the good relations and cooperation between the two countries since the normalization of their diplomatic relations in 1972 and with the two documents signed earlier this morning.

Zhao described Kengo's visit as very successful. He said the visit has promoted the friendship and mutual understanding between the two peoples and will also further the China-Zaire friendly relations and cooperation based on mutual trust. Zhao said that during his visit to other places of China, Kengo would surely see the good feelings cherished by the Chinese people towards Zairese people.

Kengo is accompanied on the visit by Minister of Labor and Personnel Zhao Dongwan.

The two documents are an agreement on the Chinese Government providing loans to the Zairese Government and a protocol on sending Chinese medical teams to Zaire. Under the protocol, 30 Chinese medical workers will go to work in the country this year.

SWAPO DELEGATION BEGINS VISIT IN BEIJING 3 JUNE

Geng Biao Meets, Fetes

OW031124 Beijing XINHUA in English 1120 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- Geng Biao, vice-chairman of the National people's Congress Standing Committee, met with a delegation from the South-West African People's Organization led by its president Sam Nujoma here this evening. Geng gave a dinner for the visitors after the meeting.

Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, was present on both occasions. The Namibian visitors will leave here for Shanghai tomorrow.

Wu Xueqian Meets Delegation

OW080844 Beijing XINHUA in English 0804 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Wu Xuegian, member of the Political Bureau of the Chinese Communist Party Central Commitee, state councillor and foreign minister, met with a delegation from the South-West African People's Organization led by its President Sam Nujoma here today. Nujoma gave an account of the situation in the Namibian people's struggle and Wu reiterated China's support to their cause for national independence.

SWAPO President Interviewed

OW080119 Beijing in English to North America 0000 GMT 6 Jun 86

[Text] The President of Namibia's Southwest African People's Organization [SWAPO] says the Namibian people will intensify military, political, and diplomatic actions to isolate the racist regime of South Africa. Sam Nujoma says Namibians are politically mature and ready to fight for the total independence of their country. He spoke with Radio Beijing reporter (Qin Changqin). Nujoma says Namibia's independence is inevitable and that no force on earth can prevent it. While Nujoma points out that the racist regime of South Africa will not give up its colonial policy easily, he accuses the South African authorities of setting up a puppet regime and practicing apartheid in the country.

[Begin Nujoma recording] The reality is that this country [words indistinct]. They are the tools in the hands of the enemy being used to delay genuine freedom and independence of Namibia. [end recording]

The Southwest African People's Organization, SWAPO, was founded in 1960. Nujoma says it began an armed struggle 6 years later because it realized that the South African colonialists couldn't be convinced by demonstrations and strikes.

[Begin Nujoma recording] The main aim and objective for the struggle of Namibia is to fight [word indistinct] and liberate Namibia from the yoke of South African colonialism and achieve genuine freedom and independence. [end recording]

Nujoma says the long 20 years of armed struggle have been constructive. SWAPO has created confidence in the minds of the Namibian people. The days and years of Namibian growth are due to the organization.

[Begin Nujoma recording] To us [words indistinct] readiness to make sacrifices in order to break the chain from colonialism and free themselves. [end recording]

Many African countries are calling for economic sanctions against South Africa. Nujoma refutes the allegation that the African people will suffer if such sanctions are enacted. He says the Africans in Namibia and in South Africa are dispossessed people; they own nothing.

[Begin Nujoma recording] That kind of a statement is certainly a deceptive and harsh statement. It has been made by rich South Africans and repeated by the other capitalist countries because they are selfish people [words indistinct] in the region outside of Africa. These are the countries that are exploiting Namibia's natural resources such as diamonds, copper, uranium, and others, while the Namibian people are suffering from hunger, disease, and [word indistinct]. [end recording]

The SWAPO leader says his organization wants to establish a people's government in Namibia, a government that will serve the interests of the Namibian people irrespective of their color, race, or place of origin.

[Begin Nujoma recording] We have extended a hand of friendship to the minority white settlers. We are not fighting against individual rights as human begins, but we are helping the victims of colonialism, imperialism, racism, and apartheid. [end recording]

Sam Nujoma and his delegation arrived in Beijing on Monday for a friendly visit at the invitation of the Chinese Communist Party.

Pro-Namibia Rally Held

OW071444 Beijing XINHUA in English 1429 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- More than 1,000 people attended a rally in Beijing today to support the Namibian people in their struggle to win national independence. Among those attending the rallly were Geng Biao, National People's Congress Standing Committee vice-chairman, Sam Nujoma, president of the South-West African People's Organization (SWAPO), diplmatic envoys from African countries and representatives of African students studying in Beijing.

Zhou Peiyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, condemned South Africa's recent armed attacks on Botswana, Zimbabwe and Zambia. Zhou said SWAPO had exposed and repudiated the conspiracy of South African authorities in their manipulation of parties in Namibia and in their attempt to create a sham independence.

He added that SWAPO"s struggle for national independence had won increasingly broader assitance and support from the masses of black and white people who opposed colonialism and racism. It had also won extensive support from the frontline states, other African nations and from people all over the world.

The Chinese people "have always closely observed the situation in Namibia and the development of the struggles by SWAPO, and have stood by you." China has resolutely opposed South Africa in its refusal to implement the U.N. Security Council resolution with the backing of the United States, its prolonged illegal occupation of Namibia, and the 'linkage scheme' designed to obstruct the independence of Namibia. "The Chinese Government and the Chinese people will consistently provide many-sided support to SWAPO and the Namibian people," Zhou Peiyuan stated.

Addressing the rally, Nujoma expressed his profound gratitude to China and the Chinese people for their concrete material assistance, and political and diplomatic support for the struggle of the oppressed people of Africa in their national liberation movements. He condemned the barbaric laws imposed by the South African authorities, which had brought hunger and bloodshed to the Namibian people.

Nujoma also condemned United States support for the South African authorities through frustrating a draft resolution in the United Nations Security Council which intended to impose comprehensive mandatory economic sanctions against South Africa.

He called on the international community to increase economic and military assistance to the frontline states. "In the face of naked aggression on the part of the Botha regime against the Namibian people," he said, "SWAPO is left with no other alternative but to intensify the armed liberation struggle, with the clear purpose of wiping out the South African racist troops in Namibia, and causing the invitable collapse of the so-called interim government of national unity imposed on our people by racist South Africa. "Our ultimate aim and objective is to seize power and create a people's government in Namibia -- a government that will serve the interest of all our people, irrespective of their color, race or religion." Other speeches at the rally were made by several diplomatic envoys of African countries.

MINISTRY DENIES KNOWLEDGE OF VIOLINIST'S DEFECTION

HK091354 Hong Kong AFP in English 1345 GMT 9 Jun 86

[Text] Beijing, June 9 (AFP) -- The Chinese Government said Monday it knew nothing of the defection to Taiwan by the Beijing Orchestra's first violinist, Feng Ming.

A Chinese Ministry of Culture official told AGENCE FRANCE-PRESSE when asked about the incident reported by Taiwan on Saturday: "We have no knowledge of such a report."

Feng Ming, 40, went to Taiwan on an undisclosed date, according to Taiwan's CENTRAL NEWS AGENCY (CNA).

The violinist was interrogated and tortured for more than a year during the Cultural Revolution (1966-1976), CNA said.

RENMIN RIBAO URGES IMPLEMENTATION OF POLICIES

HK090824 Beijing RENMIN RIBAO in Chinese 9 Jun 86 p 1

[Commentator's article: "It Is Still Necessary To Get a Good Grasp on Implementing Policies"]

[Text] A number of areas and units have recently decided to carry out a check on policy implementation, with the emphasis on resolving problems left over from history. Some units, such as the Guangdong Provincial No 1 Light Industry Department, have adopted a serious and responsible attitude in reexamining and satisfactorily resolving a number of leftover problems involving science and technology personnel and cadres. This good way of doing things calls our attention to this issue: It is still necessary to get a good grasp on implementing policies, and this is something that cannot be taken lightly.

Since the 3d Plenary Session of the 11th CPC Central Committee, in the course of bringing order out of chaos, the party organizations at all levels have done extremely arduous work in implementing the policies on intellectuals, the united front, Overseas Chinese affairs, and so on, achieving notable success. These moves have been enthusiastically supported by the people. This is an important reason for the good situation that we have today. However, in many places policy implementation remains incomplete, and there are still some leftover and overlooked problems that have not been resolved. Hence, we cannot say that the work of implementing policies has been fully accomplished and cease to tackle it; we must make still greater efforts to get a good grasp on this work.

The main reason why there are still leftover problems of various kinds in policy implementation is that many leading organs lack sufficient initiative, sense of responsibility, and sense of dealing with concrete work matters. The CPC Committee mentions policy implementation every year and has a clear-cut attitude toward it. The policy demarcation lines are also very explicit. What is needed now is not the issuing of documents, calls, and instructions, but action to go deep into the grass roots and among the masses to investigate the situation and advance concrete solutions. It is necessary to thoroughly investigate the situation in every place and to resolve every problem. This is very concrete and painstaking work, and there are indeed some troublesome aspects in undertaking it.

However, far from being afraid of troubles, we should take the initiative to look for them. We must realize that unless the party's policies are implemented well, it will be impossible to further consolidate the political situation of stability and unity and mobilize to the maximum the enthusiasm of the masses to engage in that socialist modernization drive. It will have a great impact on the party's prestige, and is also closely related to the masses' vital interests. This is not something that need not necessarily be done; it is a thing that it is imperative to do well.

In implementing the policies, we must dare to take responsibility and to have the final say. We should act in the proper way in implementing the party policies, without any apprehensions or fear of difficulties. As soon as implementing policies is mentioned in certain places, people there stress that they have no money and can hardly solve the aftermath issues. Of course, there are indeed certain practical difficulties in this respect. However, can we fail to implement the policies just because there are difficulties? We must ralize that political reputation is something of primary importance, while specific difficulties are of secondary importance. We cannot ignore the reputation of the party policies on account of specific difficulties. Are there no difficulties in places and units that have done well in implementing policies? Moreover, it is by no means a fact that every case of policy implementation costs money. For instance, there is no need to spend any money in making a correct conclusion, restoring someone's reputation, eliminatng inaccuracies in people's files, and so on. The key lies in having a sense of responsibility. If we are bold in taking responsibility and working in an earnest and down-to-earth way, we will be able to find ways of solving many difficulties. Even if certain problems cannot be resolved for the time being, we believe that the masses will be reasonable as a result of patient and painstaking consultations with them. Of course, it is improper to raise demands that are not permitted by the policies. With regard to those people who have long been hanging around Beijing and other cities applying for an audience with higher authorities to help them with their problems, it is all the more necessary to assign personnel for the specific purpose of doing more work on them and solving properly those problems that should be solved. Where the problems are indeed impossible to resolve, it is impermissible to adopt a simple and crude approach.

The key to implementing the policies lies in implementation. Solving a problem is more useful and effective than endless empty talk. We hope that the party organizations at all levels will get a good and thorough grasp on the work of implementing policies.

ECONOMIC PROFESSOR'S ROLE IN REFORM NOTED

HK300337 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0743 GMT 28 May 86

[Report by reporter Xu Hong: "Independent Thinker of China's Economic Reform -- on Li Yining, Professor of Beijing University" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing 28 May (ZHONGGUO XINWEN SHE) -- Professor Li Yining of Beijing University published 2 weeks ago an article entitled "The Basic Train of Thought of Reform," in which a complete set of new concepts for China's economic reform is proposed. The article has caught the attention of all circles since its publication.

People have attached importance to this article not only because it has proposed the concept that "the success of China's economic reform does not depend on the price reform but reform in the ownership system," which is markedly different from the official explanation, but also because the author is one of the economists influential in China's economic reform.

Professor Li Yining has more often than not been invited as a guest at the symposiums on the study of economic reform policies convened by the state's decision-making center in recent years. On many occasions, he has participated in the investigation and consultation on the structural reform of investment, prices, wages, and banking as well as the discussion on the general planning for China's reform of the economic structure and the seventh "5-Year Plan." Professor Li Yining says: "China's economic circles have played their role in the state's decisiion-making; however, such a role does not focus on a certain individual, but is demonstrated in collective wisdom."

In this think tank, Li Yining has his own speciality and advantages. In his own words: "I used to study socialist economics, and later, I turned to the study of Western economics. But now, I am coming back to the study of socialist economics;. I have become familiar with economic theories of both the East and the West, thus, I now have a wider range of knowledge and vision, and more approaches for research." He has referred to, and applied, many analytical approaches and research results of modern Western economics in his own theory. However, he has always believed that the knowledge structure of Chinese economists should be brand-new, and it should take its root in Chinese economics if it is to be deep-rooted, to thrive and to yield rich fruit.

This 56-year-old economist began to introduce modern Western economics to the hinterland in 1979, and has on several occasions given lectures in this field to leading members of China's economic departments. China's ideological field was just beginning to defrost at that time, and the theoretical economic circles were far from being emancipated from the practice of "quoting from Marx and Lenin in every article, and mentioning the Soviet pattern in every speech." People like Li Yining were outstanding and unique people who could lecture on Western economics objectively and systematically with an overall vision.

Great changes have taken place in the situation since then. Li Yining has now become a representative of a school in China's economics circles. He is a most popular teacher among young students in Beijing University, in which he has been lecturing for years. College students love to attend his lectures because they are substantial and have a modern style: a quick tempo with voluminous information. The students love to read his books. Over the past 5 or 6 years, he has successively published more than 10 books, including "Educational Economics," "A General Introduction to Modern Western Economics," "British Economy in the 20th Century -- a Study of the 'British Desease,'" which are vied for among students and often run out of stock. Li Yining forecasts: "A decade from now, China's new economics will emerge among those who are in their thirties and forties today."

Li Yining, a graduate of 1950s from the Department of Economics, Beijing University has gone through all the bitterness of political campaigns and academic criticism, and the road of his growth was tortuous. He felt most sorrowfully: The development of China's economics needs of good academic environment. He says: "China's academic economic circles have never experienced an atmosphere of the contention of a hundred schools of thought.

"Some people are used to arbitrarily applying their big sticks; the 'Ma Ding disturbance' is abnormal. China's academic economic circles were basically silent between the end of 1985 and before the 'Ma Ding disturbance' this spring, and such silence is unfavorable to modernization."

China's academic economic circles should not remain silent while facing the profound changes from the old to the new structure. The CPC is doing its best to create a relaxed environment for opinions, which will accelerate the prosperity of economics. In only 3 weeks, Li Yining's articles on economic reform, and the prospect for the development of China's economics were reprinted in RENMIN RIBAO, BEIJING RIBAO, and SHIJIE JINGJI DAOBAO. This can be viewed as a signal for the revitalization of China's economic academic circles.

COMMERCE MINISTER VIEWS UNHEALTHY PRACTICES

OW100309 Beijing XINHUA Domestic Service in Chinese 1529 GMT 9 Jun 86

[By RENMIN RIBAO reporter Pa Gang and XINHUA reporter Chen Naijin]

[Excerpt] Beijing, 9 Jun (XINHUA) -- The Ministry of Commerce has decided to conduct a general inspection, beginning immediately, of unhealthy practices in commercial departments. The purpose is to see that measures to promote good behavior are implemented and that state-run commercial setups and supply and marketing cooperatives will significantly improve their service quality before National Day.

For this purpose, the Ministry of Commerce called a nationwide telephone conference of commerical departments today. Speaking in the conference, Minister Liu Yi said: The commercial departments have carried out many reforms, and business is brisk and prosperous. But there are also many problems concerning service quality. In addition to the problem of service attitude and the desire for big profits in running a business, some commerical enterprises have allowed their own immediate interests to take precedence over the principle of unity between economic results and social benefits. They have acted in contravention of the policy by engaging in some dishonest practices. These include boastful publicity of commodities; arbitrary tie-in sales, deceiving mix-up sales, and underweight or short-measurement sales in marketing; demanding a lower price for commodities of an inferor quality in procurement; poor quality of products by industries run by commericial setups; untrustworthiness in the handling of purchases and sales; demanding bribes or taking sales commissions; using bogus certificates; and using commodities to seek personal gains. These practices have discredited socialist commerce. All commercial enterprises must organize their workers to discuss these behaviors that blemish the good names of socialist commerce and take effective rectifying measures.

Liu Yi said: Under the circumstances or relaxed policy, invigoration of the market, and multiple-channel circulation of commodities, some state-operated commercial enterprises have abandoned their own trade and shifted to another, while other enterprises have shown little enthusiasm for their part in market regulation. These problems must be resolved in good time. Otherwise, the resultant irrational structure of various trades and professions will cause market price fluctuations and inconvenience to the people. Therefore, all commercial enterprises that deal with peoples' daily necessities and offer everyday services for the people may engage in diversified businesses only on the basis of doing a good job in their own trades. They must refrain from shifting to other trades at will.

CADRES WARNED ON FAVORS FOR 'PERSONAL CONNECTIONS'

OW071251 Beijing Domestic Service in Mandarin 1100 GMT 6 Jun 86

[Station commentator's Article: "It Is Necessary To Adhere to Principles and Refrain From Taking Care of Personal Connections"]

[Text] After assuming leading posts, young cadres are often harassed by some people who visit them with requests for favors. Some of these people are the cadres' own relatives while others are the cadres' schoolmates, neighbors, or former superiors or leaders. Confronted with such a situation, a group of newly-rising young cadres are compelled to undergo a rigorous test as to whether they should adhere to principle and handle affairs impartially or look after personal connections and accommodate the unreasonable requests of some people.

Reflected in the image of the party itself, party principles serve as an important basis for the party to establish policies and discipline. Accordingly, all party comrades should conscientiously observe and safeguard those principles. The most fundamental party principle is persisting in the goal of wholeheartedly serving the people. It allows us only one basic consideration in exercising our functions and powers, that is, to serve the people in a responsible manner and with their interests in mind.

Indiscriminately accomodating a few people with the purpose of serving personal connections violates the interests of the majority of people, deviates from party policies, and runs counter to the party's fundamental goal. To be sure, most young cadres perform well in upholding the party spirit and principles. However, a few comrades show gross deficiencies in this respect. These comrades forego principle and look after personal connections largely as a result of their inadequate understanding of the prime importance of upholding the party spirit and principles, their insufficient training in the party spirit, and their lack of political experience. Despite their high enthusiasm for improving their work after taking office, they are still inept at correctly handling complex personal relations. They sometimes even think that in order to overcome the problems at work, the unjustified requests of a few people may be satisfied without compromising overall interests. This way of thinking is naive and harmful. As a matter of fact, once concessions are made on matters of principle and an improper precedent is established, more people will ask for special favors. This will trigger an unhealthy trend, arouse dissatisfaction among most of the people, and land the person at issue in a plight in which he cannot command public obedience and assistance.

Some comrades forego principle and look after personal connections because they do not understand that all things in the world develop amid conflicts. Our party grows in the process of constantly solving conflicts. Communist Party members should not dread and shun conflicts. Under the influence of inflated individualism, some party members seriously violate the law and discipline, and seek personal gain through the abuse of power. We should not take a weak approach and acquiesce on such matters. Instead, we should solve these problems positively, forcefully, and seriously.

There are also some young cadres who indiscriminately take care of personal connections out of selfish motives and personal considerations. Deluged with requests for unwarranted favors from all quarters, these comrades think only of themselves and take the stand of offending no one by looking after personal ties in turn. If continued, this practice will not only impair the party's image and greatly undermine the leadership's prestige, but will also erode the ideology of cadres and hamper the healthy growth of the cadres themselves.

In a nutshell, young cadres should never take the matter of indiscriminately looking after some personal connections lightly. They should conscientiously strengthen the party spirit in all matters, set strict demands on themselves, and live up to the trust and hopes of the party and the people in the course of exercising their functions and powers.

GUANGMING RIBAO: UNHEALTHY TENDENCIES NOT INEVITABLE

HK090323 Beijing GUANGMING RIBAO in Chinese 31 May 86 p 1

[Commentator's article: "Unhealthy Tendencies Are Not Inevitable Outcome of Reform and Opening Up"]

[Text] Style is the demonstration of ideology. The style of a communist is the demonstration of the communist ideology. However, as our party is growing up in a certain social environment it is inevitable that some cadres and members of the party may also be contaminated by various non-proletarian ideologies. In various stages of the party's history, different forms of unhealthy tendencies always existed inside the party. That is to say, the unhealthy tendencies did not appear only recently. Still less can we say that the unhealthy tendencies were brought about by reform and opening up. Even if we did not carry out reform and the policy of opening up, these or those kinds of unhealthy tendencies would still exist.

Of course, unhealthy tendencies have certain relations to reform and opening up. Reform offers all sorts of opportunities to make greater contributions. For people who are seriously contaminated by the decadent ideologies of the exploiting classes, they can take advantage of opportunities in the reforms to exploit other people's labor, to use their power in pursuit of selfish gains, and to amass ill-gotten wealth. Opening up can bring in some foreign capital and technologies so as to promote our economic development, but some evil factors may also be brought in from Western countries.

In addition, reform is a process of evolution. In this process, the vanishing old system is entwined with the growing new system, and there is certainly a period in which the old and the new coexist and interact on each other. Some errors are unavoidable in the reform process. The new system is not yet mature, and the old system will become weak and powerful alternately in its functions. This will thus give rise to a complicated situation and will leave many loopholes in the management. Some people may take advantage of these loopholes in the changing management system and indulge in irregular conduct in a big way.

However, we cannot say that the root cause of the irregularities lies in the reform and the opening up policy. Still less can we say that the irregularities are the inevitable results of reform and opening up.

For example, some people said that the fact that some party and government cadres are engaged in commercial business, is caused by reform and opening up under the influence of capitalism. This is not true. As another example, some people said that the connections networks in society are formed by reform and the opening up policy. This also is not true. In environment of a developed capitalist commodity economy, the capitalists refuse to have anything to do with all their relatives and friends. The connections networks in our country are brought about precisely by the economic foundation self-sufficient small production which is deeply tainted by the feudalist color in China. Therefore, the connections networks are not brought about by reform and the opening up can break these connection networks.

To sum up, the present new unhealthy tendencies are social phenomena that are brought about under the conditions where the commodity economy is not fully developed. So checking the unhealthy tendencies is precisely an important part of reform.

Our attitude toward unhealthy tendencies should be first, not to fear them, and second, not to let them spread unchecked. In order to check unhealthy tendencies, we should strengthen ideological education. However, it is not enough if we merely look for the sources of the unhealthy tendencies in the fields of ideology, morality,and ethical relations. People's ideology is determined by their social being; and the superstructure of a society is determined by its economic foundation. This is a basic principle of Marxism. Reform, opening up, and enlivening the economy will eliminate the vestiges of the natural economy and feudal ideology -- the soil on which unhealthy tendencies are engendered. If we further advance the reforms, let the new system dominate position as soon as possible, further develop the socialist commodity economy, and create an environment for fair competition, then no one will be able to use their power to seek selfish gains, or to give and take bribes through the connection networks, or to take advantage of the loopholes between the new and the old systems to gather ill-gotten wealth. Only thus can we thoroughly eliminate unhealthy tendencies.

XUE MUQIAO ON DEVELOPMENT OF ECONOMIC FORMS

HK090749 Beijing JINGJIXUE ZHOUBAO in Chinese 1 Jun 86 p 2

[Report by JINGJIXUE ZHOUBAO reporter Li Jing and ANHUI RIBAO reporter Song Hong: "Xue Muqiao on Development of Various Economic Forms"]

[Text] Prominent economist Xue Muqiao recently met leaders and scholars of Anhui Province, and discussed with them his view on the development strategy of microeconomics. He held that the province's commodity economy was backward. It should actively develop diversification of economic forms, particularly the collective economy and individual economy. The individual economy is at the preliminary stage of commodity economic development. But we must not always stay at this level. Rather, we must continue to develop other economic forms such as collective economy, cooperative economy, and combined economy. Proceeding from recent developments, in addition to developing the rural collective enterprises, the province should attach great importance to developing individual economy. As the state cannot undertake everything, we should carry out development through various channels, and the collective and individual economies are the two important ones. We should actively support the household industry, household commerce, and household transport and service industries.

There is nothing to be afraid of if someone hires individual laborers. Having many employed individual households not only helps the production of many products needed by society, but also solves the unemployment problem. Therefore, it has brought about good social benefits. On the hired laborers, we should judge them by the criterion of whether or not they bring benefits to the state and people. Where they bring about these benefits, we should support them and must not be afraid of the situation. However, we should check through economic means such as taxation, practices of excessively exploiting workers. Our past practice of exempting individual households from taxation tended to develop polarization. Once we have perfected our taxation work, we can mitigate the situation. Anhui should draw lessons from the experience not only of southern Jiangsu in this respect, but also of Wenzhou and other areas. The province should actively support the individual economy, develop the rural collective economy, and at the same time lead and encourage them to run cooperatives, economic combines, and other activities of a semi-socialist nature.

FOREIGN TRADE MINISTER VIEWS TRADE SITUATION

HK060643 Beijing BAN YUE TAN in Chinese No 10, 25 May 86 pp 1-15

["Minister Zheng Tuobin Answers BAN YUE TAN Reporter's Questions Concerning Foreign Trade"]

[Text] Recently, this BAN YUE TAN reporter interviewed Comrade Zheng Tuobin, minister of foreign economic relations and trade, on our country's foreign economic and trade work. He answered some questions about foreign trade that people are interested in.

Question: How was the situation in the development of our foreign trade in the period of the Sixth 5-Year Plan?

Answer: With the implementation of the principle of opening up to the outside world and enlivening the domestic economy, our foreign trade in the Sixth 5-Year Plan period achieved unprecedented development. This was mainly reflected in the following facts:

First, the total volume of imports and exports doubled. According to statistics of the Ministry of Foreign Economic Relations and Trade, the total volume of imports and exports in the Sixth 5-Year Plan period was $229.4 billion, nearly twice as much as in the Fifth 5-Year Plan period. The volume of exports rose from 28th place to 18th place in the world. Second, there was a major change in the makeup of imported and exported goods. The proportions of heavy industrial goods and of light industrial goods and textiles in exports increased to 44 percent and 39.4 percent respectively. In the past, grain, cotton, and oil crops were imported in large quantities, but in recent years, the import of these goods decreased sharply. In 1985, the export of grain exceeded the import of grain, and 350,000 tons of cotton were exported. Third, the scale of technology imports frther expanded. During the Sixth 5-Year plan period, we spent $9.6 billion on importing technology. This figure increased by 69 percent over the Fifth 5-Year Plan period. This accelerated enterprises' technological transformation. Fourth, the balance of payments in foreign exchange improved. In the Sixth 5-Year Plan period, there was a general balance between import and export, and the trade surpuls was $800 million, against the $3.8 billion trade deficit in the Fifth 5-Year Plan period. Fifth, economic results were steadily improved. Foreign trade increased state revenue. In the Sixth 5-Year Plan period, foreign trade added some 24 billion yuan to state revenue.

Question: How was the state of imports and exports in our country in 1985? How was the situation in the import of luxury consumer goods?

Answer: According to statistics of the Ministry of Foreign Economic Relations and Trade, the volume of exports in 1985 was $28.5 billion, or 5.7 percent higher than in 1984; the volume of imports in 1985 was $ 33.4 billion, or 31.8 percent higher than 1984. The trade deficit was $7.6 billion.

The main facts regarding imports in 1985 are: The import of new technology, whole sets of equipment, advanced machinery, and instruments was valued at $11 billion, or 110 percent more than in 1984. The import of industrial raw materials was $16 billion, or 21 percent more than in 1984. The import of technology, equipment, and raw materials played an important role in supporting our domestic production oand construction. In 1985, our country also imported $4.96 billion worth of cars, motor cycles, television sets, washing machines, refrigerators, tape recorders, cameras, and other household electric appliances, accounting for 14.8 percent of the total import volume. The appropriate import of some motor vehicles and luxury consumer goods in a particular period can play a positive role in balancing supply and demand, activating markets, stabilizing prices, withdrawing currency, increasing revenue, raising people's living standards, facilitating transport in cities, and developing tourism. However, last year we were too reckless in importing motor vehicles and luxury consumer goods, and the import of these goods was excessive. The import of production lines for color TV sets, refrigerators, and washing machines was also too great. The main reasons for these problems were mainly: First, there were many loopholes in the management of foreign exchange, and the system for examining approving import plans was not sound enough. Second, we did not have timely information and could not adopt timely measures to copy with new situations. Third, our work was disrupted by various irregular practices, and some units even took advantage of loopholes to conduct speculative transactions. The state has adopted a series of measures to cope with these problems and has taken action to seriously handle the cases of speculation in imported goods and grafts.

Question: What are the main tasks in our future foreign trade work?

Answer: Opening up to the outside world is a basic national policy. We will continue to expand trade with various countries in the world on the principle of independence, equality, and mutual benefit. In light of the requirements of the Seventh 5-Year Plan, the volume of imports and exports in 1990 will increase to $83 billion, or 40 percent higher than in 1985, and the average annual growth rate will be 7 percent, which is slightly higher than the growth rate of industrial and agricultural production during the Seventh 5-Year Plan period. Exports should increase by 47.3 percent over 1985, or by an average of 8 percent each year. China is a developing socialist country. For a fairly long time, our country will still be short of foreign exchange funds. Exports contribute over 80 percent of our foreign exchange income, so exports are the most important source of foreign exchange for us. The capacity for exporting goods to earn foreign exchange will determine the scale and degree of our opening up to the outside world and the speed of our socialist construction. Therefore, we must try by every possible means to increase exports and to raise our capacity for earning foreign exchange. This is also the main task for our present foreign trade work.

Question: What difficulties do we have in foreign trade work?

Answer: At present, the international market is mainly a buyer's market, while our domestic market is a seller's market. This situation has brought many difficulties to our efforts to expand exports. Now the biggest problem is the fall in the prices of primary products on the international market, especially the fall in the oil price. This will certainly affect our foreign exchange income this year. In addition, we also have some problems in our export work at home: First, with the development of domestic production and the enhancement of the people's living standards, demand in the domestic market is increasing, and this attracts more goods to the domestic market and will affect the export of goods. Meanwhile, supplies of raw materials and electricity are rather strained. Second, medium- and low-class goods account for a large proportion of the manufactured goods we export, and their competitive power is rather low on the international market. This situation will not be changed substantially for a fairly long period to come. Third, our transport capacity and harbor facilities cannot meet the four foreign trade needs. Railway transportation is always in a strained condition, and the loading and unloading of cargo in ports are often delayed to a serious degree. Fourth, the overall management of foreign trade is still rather weak and the management system is not sound enough. Sometimes, many domestic units compete with each other in exportng the same kinds of goods. In the first half of last year, because large quantities of "parallel goods" (goods entering the market through unofficial channels) poured into the Hong Kong and Macao markets, our foreign exchange income from exports to Hong Kong and Macao was seriously affected. The situation was brought under control later after the adoption of relevant measures to strengthen the management of exports. However, the effect of "parallel goods" on the Hong Kong and Macao markets remains an issue that we must pay serious attention to.

Question: What will we do in the handling of imports and in the introduction of advanced technologies?

Answer: While actively expanding exports, we will also seriously handle our import work of bringing in technology. Imports should be arranged in light of the actual needs in our country's production and construction and in light of our foreign exchange payment capacity, and the work of maintaining an overall balance should be strengthened. We must practice careful calculation and strict budgeting when planning the use of foreign exchange for importing goods. We should selectively import the applicable advanced technologies and key equipment so as to enhance our capacity for self-reliance in exporting goods and earning foreign exchange. The plans for importing technologies in various trades should be well-coordinated, and overall guidance should be strengthened so as to ensure that advanced technologies are imported in a planned and well-organized way and that blind and duplicated imports can be avoided. It is necessary to make efforts to digest and assimilate the imported new technologies and thus to develop these technologies. This will effectively promote our country's technogical progress. In the arrangement of imports, priority will be given to the import of key raw materials which are in great need and short supply. The import of ordinary raw materials should be controlled at an appropriate level. We will rely mainly on developing our domestic production in order to meet these needs, and will gradually reduce imports of these items so as to save our foreign exchange. Consumer goods on the market will mainly rely on supplies from domestic manufacturers. Imports can only be a supplementary means.

Question: Can you talk about our country's main policies and measures for developing exports?

Answer: The key to the development of our foreign trade lies in the development of exports. In order to fulfill the export tasks this year and in the Seventh 5-Year Plan period, we will continue to carry out the policy of reform, opening up, and enlivening the domestic economy, and will make efforts to improve our foreign trade work. The main policies and measures we have adopted include the following points:

First, this year, we will actively and steadily promote the reform of the foreign trade system according to the principle of consolidating, digesting, replenishing, and improving our reform measures. Second, we will give political glory and economic benefit to enterprises which produce export goods so as to change the situation in which "export is not as profitable as selling goods on domestic markets." Third, we will step up the building of some export-oriented production systems. In light of the characteristics of the production of mechanical and electrical products, light industrial and textile products, and farm and sideline products, we will build special production bases and plants to meet the needs of international markets in the aspects of design, processing, packing, and delivery, and will do our best to adapt them to the ever-changing needs of international markets by ensuring product quality and raising the competitiveness of our products. Fourth, we will make greater efforts to strengthen our marketing work for our export commodities. Foreign trade enterprises will make efforts to improve their business style, improve their services, strengthen investigations and studies, and in quick access to information about international markets.

LOAN PRIORITY GIVEN TO EXPORT-ORIENTED PRODUCTS

OW091308 Beijing XINHUA in English 1231 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- About 75 to 80 percent of the new foreign currency loans of the Bank of China in 1986 should be directed to projects which can bring in foreign exchange earnings -- as against 57 percent last year -- according to Wang Deyan, president of the bank.

Most of the loans will be used for the technical transformation of enterprises producing for export, and priority will be given to the key enterprises and to the adjustment of the investment structure of these enterprises, Wang told a national meeting of the local branch heads of the bank, which opened today.

As for Sino-foreign joint ventures and cooperative enterprises and those with sole foreign investment applying for loans from the Bank of China, priority will be given to the technology-intensive and export-oriented ones that are able to strike a balance between expenditure and income in foreign exchange, Wang pointed out.

In providing loans for circulating funds, the bank will give priority to the purchase of export goods with promising sales prospects. The proportion of such loans for foreign trade enterprises in the total amount will be raised to more than 90 percent from the previous 88.5 percent.

The bank will stop providing loans for the purchase of commodities that cannot be exported, and for those enterprises with bad economic returns and those that use circulating funds for fixed-asset investment.

BANK OF CHINA ATTRACTS 'BIG SAVINGS' IN 1986

OW091010 Beijing XINHUA in English 0944 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- The Bank of China has attracted big savings to its new foreign exchange and renminbi (Chinese currency) account services over the past several months, a bank official said today.

The amount of savings in foreign currency by the end of April this year was 25.7 percent higher than that at the end of 1985, while renminbi savings rose by 12.9 percent, said the official, who did not release the actual cash figures.

A foreign currency savings service was first offered to Chinese citizens by the Bank of China -- the state's specialized foreign exchange bank -- in 1984.

Now two other state banks, the Industrial and Commercial Bank and the Agricultural Bank, are also offering the service in China's special economic zones.

Last year, the Bank of China was given permission to attract urban renminbi savings. This service used to be offered exclusively by the industrial and commercial bank.

'MAJOR REFORM' IN PLA MILITARY COMMAND ACADEMIES

HK100644 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0349 GMT 10 Jun 86

[Report: "Major Reform Will Be Made in the PLA's Military Command Academies"]

[Text] Beijing, 10 Jun (ZHONGGUO XINWEN SHE) -- How can a young soldier be promoted to the post of Army Commander? JIEFANGJUN BAO says that he must receive the regular training at junior, middle, and higher military command academies and some courses of short-term training and thus complete the training for his lifelong career as a command officer.

The 3-level training system for command officers will soon be implemented for Chinese troops. This will be a major reform that will have profound and far-reaching repercussions on formulating the strategy for the development of the training of PLA personnel, changing the knowledge structure of PLA command officers, and intensifying PLA modernization.

The basic characteristics of the 3-level training system that will soon be implemented for command officers are: The junior, middle, and higher command academies respectively train static platoon commanders, coordinated static commanders, and battle commanders. The division of labor among the three levels of military academies is clear. Each has its focus of work and is dovetailed to the others, and the training deepens level by level. Among them, the junior command academies recruit students from among local senior middle school graduates and from among fine squad leaders of senior middle school educational level to train platoon command officers. They focus on providiing basic military, political, and cultural education. The middle command academies recruit students from among officers at battalion level who have received education from junior command academies and provide them advanced professional education. Senior command academies recruit students from among officers at and above division level who have received education from middle command academy and provide them with comprehensive education of a higher level.

As a result, before an officer takes a post at a higher level, he must have necessary professional knowledge and learn the new knowledge related to it. This will make his knowledge adequate for his post.

In order to implement the 3-level training system, the PLA's military command academies will start training in a planned manner, by stages, and in groups of junior command officers to improve their competence. They will gradually shorten the courses at middle and higher command academies and readjust and reform the sylabus of the command academies at all levels. Gradually, the higher the level, the shorter the courses. The more specialized the teaching materials, the smaller the scale of the academies will become. So, an officer will gain new knowledge every time he studies at an academy.

MINISTRIES URGE BETTER JOBS FOR VETERANS

OW091956 Beijing XINHUA Domestic Service in Chinese 1157 GMT 9 Jun 86

[Text] Beijing, 9 Jun (XINHUA) -- The Ministry of Civil Affairs, the General Political Department, the Ministry of Finance, the General Political Department, the Ministry of Finance, the Ministry of Commerce, the Ministry of Agriculture, Animal Husbandry and Fisheries, the State Administration for Industry and Commerce, and the Agricultural Bank of China recently issued a joint circular calling on government departments at all levels to seriously implement the guidelines of the documents of the State Council and the Central Military Commission on employing Army veterans who have civilian job skills and to definitely improve the employment of such Army veterans.

The circular points out: To actively do a good work in hiring Army veterans with civilian job skills will not just ensure proper placement for the Army veterans. More importantly, the employment will enable the large number of Army veterans to use what they have learned and give play to their wisdom and talents to make direct contribution to accomplishing the party's general tasks. To date, some 650,000 Army veterans with civilian job skills have been hired in various localities. A very large number of such Army veterans still await proper placement. With the PLA furthering its efforts to give servicemen civilian job skill training, several hundred thousand servicemen with civilian job skills will be discharged and will return to various localities each year in the future. They will be an important source of qualified personnel for invigorating the urban and rural economy.

The circular demands: The civil affairs departments and the People's Armed Forces departments should serve as advisers to local leaders and work in coordination with other departments concerned to formulate local plans for employing Army veterans with civilian job skills. Tax departments should remit or reduce for a certain period the tax burdens of some industrial, business, transport, building industry, and service trade firms run individually or collectively by Army veterans, if they petition for the remittance or reduction because of difficulties. Commerce and grain departments and supply and marketing cooperatives should help the Army veterans who have civilian job skills open up more avenues of production and develop commodity production or processing industry. Agricultural, animal husbandry,and village and town enterprise management departments should provide technical guidance to Army veterans in crop cultivation and livestock breeding and help them breed poultry and livestock and prevent and treat animal disease.

The administration of industry and commerce should provide conveniences for self-employed Army veterans, process their industrial or commercial registration applications, issue them business licences promptly according to regulations, and actively help them develop tertiary industry. Agricultural banks should actively support Army veterans in agricultural and sideline production by extending loans to them according to current loan policy and requirements. More favorable consideration should be given to an Army veteran than to a non-veteran, if they both meet the other requirements.

COMPUTER TO READ CHINESE CHARACTERS DEVELOPED

OW100619 Beijing XINHUA in English 0609 GMT 10 Jun 86

[Text] Harbin, June 10 (XINHUA) -- China has developed a computer system that can read handwritten Chinese characters, officials here said today.

The system, invented at Harbin Engineering University in northeast China, reads the characters from a special pen and pad set and displays them on a monitor in standard character type. Once displayed, they can be edited on the pad without a keyboard. The Harbin officials said the system can read 3,755 commonly used, handwritten characters with 95 percent accuracy.

At the same time, they said, the university has also developed a computer system which can read printed Chinese characters sent to it by facsimile transmission.

SCIENTIST ON ARTIFICIAL INSEMINATION PROGRAM

HK100506 Hong Kong AFP in English 0419 GMT 10 Jun 86

[By Bernard Degioanni]

[Text] Qingdao, China, June 10 (AFP) -- Despite its billion-plus population, China is pursuing research into artificial insemination for childless couples who long for a baby of their own.

Scientists at the largest of the country's four sperm banks, in eastern Qingdao, said that stringent selection of donors was exercised to ensure that babies born from artificial insemination would be physically and mentally healthy.

Donors must be married, under 40, have a high intelligence quotient (IQ) and have completed at least secondary education. There must be no sign of hereditary illness in their families up to two generations back.

Only married women who have not had children can be inseminated, and they must have the agreement of their husbands. Anonymity is guaranteed, and no official document states that the child was born after artifical insemination.

The sperm bank's director, Dong Junyou, said that China, which officially is promoting smaller families, created its first sperm bank in 1984 to respond to the needs of society.

"Certainly our country gives the image of overpopulation, but China also has its sterile couples and we can help them have children," Mr. Dong said.

Researchers were hoping to achieve China's first test-tube baby in two to three years, Mr. Dong told AGENCE FRANCE-PRESSE.

"The possibility of having a Chinese test tube baby is not essential to our society. But medically this could prove to foreign scientists that we have mastered the latest technology," he said.

The first Chinese baby conceived through artifical insemination was born less than a year ago.

"We must wait until he is five to know if our selection process has been successful," said Mr. Dong, 63, who directs a team of two doctors and three nurses at Qindao's central hospital.

"In less than two years, we have artifically inseminated 255 women: 137 received unfrozen sperm and 118, frozen sperm. Of the total, 69 were successful pregnancies. This is a relatively satisfying future," Mr. Dong said.

Unfortunately, he said, the sperm bank had trouble finding donors. "In China, those who are capable of procreating want to have their own children," he remarked.

Most donors, he indicated came from young married men who, for professional reasons, live away from their wives for years. Each donor receives 12 yuan (3.8 dollars).

The operation costs 50 yuan (16 dollars), or half the average monthly salary of a Chinese worker. Researchers were trying to ensure the highest-quality sperm for artificial insemination, containing 60 million spermatozoa per cubic millimeter of sperm, with higher than 60 per cent mobility, Mr. Dong said.

"It is the percentage of fertilization that we want to improve," he stressed, adding that children born from such sperm were more likely to be physically and mentally healthy.

"I am convinced we will be able to speed up our rate of success with selection based on scientific data. But for this our patients must agree to stay at least three months in our hospital after insemination," he said. However, he said, the women tend to "leave as soon as they can out of fear that someone might learn that the pregnancy resulted from artificial insemination."

Work is also under way at the Qingdao sperm bank on improved techniques for keeping frozen sperm alive. Next month scientists expect to find out if they have succeeded in decreasing freezing time to 10 minutes from the current 60 minutes and if they have been able to keep more than 10 per cent of the frozen sperm alive, Mr. Dong said.

Three months ago the sperm bank developed a chemical substance that allows rapid freezing, after depending up to now on a substance imported from the United States.

Mr. Dong dismissed the possibility of genetic manipulations intended to produce intelligent babies. "Theoretically, certainly, the scientific world could manage to give the world little geniuses. But all the descendants of the Nobel Prize winners will never be superintelligent," he said.

In 1981 China, which had more than 10 million people with hereditary diseases or congenital mental deficiencies, considered adopting a law on eugenics but quickly abandoned the idea without stating why.

HEBEI SECRETARY ATTENDS MILITARY SECRETARIES MEETING

SK081332 Shijiazhuang HEBEI RIBAO in Chinese 24 May 86 p 1

[Text] On 18 May, at a joint meeting of secretaries of the party committees of the military subdistricts, garrison commands, and some People's Armed Forces departments sponsored by the provincial Military District, Xing Chongzhi, secretary of the provincial CPC Committee, called for conscientiously implementing the important instructions given by Comrade Hu Yaobang in his inspection tour to the Taihangshan area, mastering two great skills, and scaling new heights.

In his speech, Comrade Xing Zhongzhi fully affirmed the achievements made by the provincial Military District. He said: Since the new leading bodies were organized, the provincial Military District has better accomplished the two great tasks of transferring People's Armed Forces departments to the local organizational system and organizing and building leading bodies at the division level, and has also made achievements in other fields. Thus, a good situation in the work of the People's Armed Forces departments has emerged.

Comrade Xing Chongzhi said: In order to better fulfill the tasks assigned by the CPC Central Committee and the Central Military Commission and to create a new situation in our work, we should learn to creatively implement the instructions of the CPC Central Committee and to correctly handle the contradictions within the party. The four basic reasons for which Comrade Yaobang called on leading party cadres at all levels to master two great skills are as follows: First, meet the demands of the development of the current situation. Second, meet the demands set forth in the historical task whereby the work done during the Seventh 5-Year Plan period should be better than that done during the Sixth 5-Year Plan period. Third, meet the demands of upgrading the quality of leading bodies at all levels. Fourth, never disappoint the ardent expectations placed on the leaders at all levels by the people.

The important instructions given by Comrade Yaobang were a great synopsis of our party's historical experiences and reflected the objective demands for the leading cadres at all levels in the current political and economic situation. These two great skills are the basic skills that each and every revolutionary cadre should possess in order to engage in revolutionary and construction causes.

While talking about the issue concerning creatively implementing the instructions of the central authorities, Comrade Xing Chongzhi pointed out: In accordance with what Comrade Yaobang said, there were three basic demands for the work of creatively implementing the instructions of the central authorities. The first demand was the most important of the three; that is, we should handle affairs in accordance with the actual conditions and strengthen investigation and studies.

While talking about the issue of how to correctly analyze and handle the contradictions within the party, he said that such contradictions as practical and ideological contradictions and the contradictions between the interests of the individuals and the interests of the party and the people occurred often. Therefore, we must correctly analyze and handle these contradictions. If we fail to correctly analyze or do well in handling these contradictions, it will be impossible for us to consolidate and develop a situation characterized by stability and unity.

Mastering these two great skills is not empty talk. First of all, we must do well in implementing the Seventh 5-Year Plan. The People's Armed Forces departments should achieve the construction of the People's Armed Forces and Defense Reserve Forces and the work in all fields.

He urged the leading bodies of all military subdistricts and the People's Armed Forces departments to grasp the following tasks: First, they should scale new heights in their work, further educate and train militiamen, and fully implement the role of militiamen in the two civilizations. Second, they should scale new heights in maintaining unity and correctly handle the three factors affecting the unity work, such as the baneful influence of factionalism left over by the "Great Cultural Revolution." They should draw a clear distinction between achievements and mistakes. They should neither strive for merits nor put the blame on others. They should solicit opinions from the masses when they have problems. Regarding problems with which they hold different opinions, they are allowed to set them aside for the moment and to solve them later. Third, they should scale new heights in their studies, conscientiously study Marxism-Leninism-Mao Zedong Thought, and pay special attention to the study of the basic ideas and theories of Marxism-Leninism-Mao Zedong Thought. Fourth, they should scale new heights in their work style, go deep into reality to conduct investigations and studies, carry out reform bravely and in the spirit of doing pioneering work; and inherit and carry forward the fine traditions of the party.

He said: The work style of the provincial Military District is good. Thus, the new leading bodies of the provincial Military District should make persistent efforts to pioneer the road of progress in order to make the units under the provincial Military District stand, as always, in the forefront of the two civilizations and to make greater contributions to rejuvenating Hebei.

SHANXI: LI LIGONG SPEAKS ON PARTY RECTIFICATION ISSUES

HK070257 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 6 Jun 86

[Summary from poor reception] The provincial CPC Committee recently convened a conference on party rectification to make arrangements for this work in the townships and review country-level rectification. Provincial CPC Committee Secretary Li Ligong made a speech. He said: "The provincial CPC Committee holds that, generally speaking, party rectification has been done well in the province and has solved many problems." There has been a turn for the better in those units that have undergone readjustment, and work has improved there. On rectification in the townships, Li Ligong said: "Rectification must guarantee and spur reform. Rural reforms are a major task. Through party rectification, we should bring into further play [words indistinct]. We must pay great attention to grasping the policies." It is essential to focus on key points and make great efforts to straighten out party style. "We must solve the problems of serious abuse of power and violations of law and discipline by leading party-member cadres." Comrade Li Ligong demanded that all localities and departments pay attention to consolidating the fruits of party rectification and rule the party with strictness.

During the meeting Vice Governor Feng Zhimao conveyed the spirit of the north China forum of provincial and municipal CPC Committee secretaries on party rectification. "Sun Ping, leader of the investigation group of the Central Commission for Guiding Party Rectification, and Zhang Changzhen, member of the Standing Committee of the provincial CPC Committee, spoke on consolidating the fruits of county-level party rectification and making arrangements for rectification at township level."

HEILONGJIANG'S SUN WEIBEN ADDRESSES POLITICAL WORK

SK080333 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 7 Jun 86

[Text] The provincial conference of directors of propaganda departments was held in Harbin City on 5 June. Sun Weiben, secretary of the provincial CPC Committee, and Chen Yunlin, deputy secretary of the provincial CPC Committee, delivered speeches respectively entitled 'Party Organizations at All Levels Should Conscientiously Strengthen Ideological And Political Work" and "We Should Make Ideological and political Work Better Serve Economic Construction."

Comrade Sun Weiben said: At present, our country is in the historical period when the old systems are being replaced by new ones. The reform that we are carrying out is an overall developmental project involving all of society. Therefore, reform can produce an impact on the overall economic, political, and cultural development of the society as well as the people's ideology, livelihood, and psychology. It will be impossible to ensure smooth progress in reform and it is difficult to consolidate the achievements in reform if we do not conduct ideological and political work among the people to make them change their ideas and ideologicallly suit the demands of reform.

Comrade Sun Weiben said: Viewing the current situation of the province, I have come to realize that it is imperative to effectively and conscientiously strengthen ideological and political work in order to further deeply carry out economic restructuring, to further promote the development of production and construction, and to strive for realizing a fundamental turn for the better in party style and social conduct. Thus we must organize the cadres and people throughout the province to conscientiously study the guidelines of the Fourth Session of the Sixth NPC and Premier Zhao Ziyang's report, to relay and implement the fourth session of the sixth provincial People's Congress, and to consciously grasp the important tasks for this year's ideological and political work so as to provide powerful spiritual strength and ideological and political guarantees for implementing the Seventh 5-Year Plan. Through strengthening ideologeical and political work and spiritual civilization, we should take the initiative to open up new productive forces and to set up and perfect new economic systems.

Comrade Sun Weiben said: Here I want to emphatically point out the fact that ideological and political work is the lifeblood of economic work and work in other fields.

He continued: After the party shifted its focus of work onto the development of social productive forces and economic construction, some comrades who were afraid of making leftist mistakes dared not to utter Comrade Mao Zedong's idea that political work is the lifeblood of all economic work. In reality, this is a misunderstanding. The resolution adopted at the 6th Plenary Session of the 11th CPC Central Committee has affirmed this idea. This is because this idea can have a great impact on our practical lives and vividly depicts the position and a functions of ideological and political work in economic construction. Ideological and political work is signficant in giving general guidance to the current reform and the four modernizations.

Comrade Sun Weiben emphatically pointed out: Creating favorable social conditions is an important factor for strengthening and improving the party's leadership over ideological and political work.

The reform that we are carrying out is another important social task following the socialist [words indistinct] of private ownership of the means of production. Building socialism with Chinese characteristics in the course of reform is an unprecedentedly great, creative work. Thus, we must objectively create a relaxed social environment and atmosphere to encourage and protect theoretical workers, literary and art workers, and the people on other fronts to do creative work, to permit them to express different ideas and opinions, and to allow them to make mistakes in the course of studies and explorations. Only when we create a relaxed environment and atmosphere can the people bring into full play their creativity and initiative, can we pool the wisdom and forces of the people for the creative causes of reform and construction, can reform be developed smoothly, and can all of our undertakings be vigorously developed.

With regard to the issue on how to safeguard and strengthen the authority of the departments in charge of ideological and political work, Comrade Sun Weiben said: First, we must grasp party style in order to realize a fundamental turn for the better in party style as soon as possible. Second, the comrades engaged in the ideological and political work should strive to upgrade their political understanding and professional ability and correctly and effectively carry out their work in order to enjoy the confidence of the party and the masses. Third, we should carry out ideological and political work down to the grass roots and strengthen the building of the ranks of political workers among the grass roots. Fourth, party committees at all levels should further strengthen their leadership over propaganda work.

In his speech Comrade Chen Yunlin pointed out: Making ideological and political work serve economic construction is the demand of reform and the development of production. So we must persistently grasp the two civilizations, combine ideological and political work with the implementation of the principle of socialist material benefits, persistently link ideological and political work with the solution of practical problems, and systematically set up a network of conducting ideological and political work in order to tackle problems in a comprehensive manner. He urged the vast number of cadres in charge of political work to study hard, to investigate and study grass-roots areas,and to pay attention to summing up new experiences in ideological and political work.

LIAONING: DALIAN ZONE TO DEVELOP HIGH TECHNOLOGY INDUSTRY

OW021632 Beijing XINHUA in English 1523 GMT 2 Jun 86

[Excerpts] Shenyang, June 2 (XINHUA) -- Enterprises in the Dalian Economic and Technical Development Zone should concentrate on making high-technology goods for export, officials of the Liaoning provincial government decided here today. Dalian, in northeast China, is one of 14 coastal cities open to overseas investors. To boost development inside the zone, the provincial government has offered 20 million yuan to enterprises in 13 Liaoning cities to build plants in the zone. Sixty plants are expected under the program, Quan said. The Dalian development zone is 33 kilometers from downtown Dalian. Its industrial park and accompanying facilities cover 20 square kilometers. Since it opened in October 1984, 136 firms have signed contracts worth nearly 240 million yuan to participate in the zone. Among them are 11 Sino-foreign joint ventures, involving 21.1 million U.S. dollars.

So far only 14 enterprises have begun building facilities here, although 20 factories -- making watches, construction materials, plastic products, fur garments, and consumer goods -- are expected to go into production later this year. Three of the 20 are joint ventures with Japan, the United States and Hong Kong.

FOREIGN MINISTRY ASKS ARGENTINA FOR COMPENSATION

OW091054 Taipei CNA in English 1023 GMT 9 Jun 86

[Text] Taipei, June 9 (CNA) -- The Ministry of Foreign Affairs has lodged a formal protest and is demanding compensation from Argentina for its attack on a fishing trawler from the Republic of China on Tiawan that left one crewman dead, one missing, six others injured and the vessel at the bottom of the sea.

Foreign Minister Chu Fu-sung said Monday that his ministry lodged the protest and demanded that Argentina adhere to international law and practice and to existing agreements between the two countries.

Reporting on the "Chiann Der No. 3" incident to the Foreign Affairs Committee of the Legislative Yuan, Minister Chu said that, although the Argentine Navy had warned the trawler before firing, the attack was unjustified, as any attack on an unarmed fishing boat on high seas is unhuman under any circumstances.

Answering an interpellation from Legislator Chung Jung-chi, Chu said the intervention of Peiping in this incident was another of communist regime's united front ploys against the Republic of China. Chu said the Peiping regime has redoubled its efforts against the ROC recently by setting up a "Taiwan office" under its "Foreign Ministry." He said his ministry is monitoring the situation closely to guard against any adverse effect the establishment of the office might bring to the nation.

He said the government has lodged a formal protest with Argentina through appropriate channels over the incident and has asked the Argentine Government to see to it that no similar incident takes place in the future. The government is also asking for proper compensation from Argentina for the fisherman, Chu said.

EDITORIAL OUTLINES COUNTERMEASURES FOR PRC DISINFORMATION

OW100624 Taipei CHINA POST in English 5 Jun 86 p 4

[Editorial: "To Counter Peking's Disinformation Campaign"]

[Text] The Central Standing Committee of the ruling Kuomintang recently stressed that the Republic of China's "three no" policy -- no contact, no negotiation, and no compromise -- with the Chinese Communist regime shall not change. The committee made the declaration after a thorough analysis of the China Airlines cargo plane incident. It noted that the event was an unusual and isolated aviation incident and that CAL's efforts to return the plane and its crew were made out of humanitarian considerations and did not violate the ROC's basic national policy.

The committee rightly pointed out that, after this incident, the Peking regime will certainly launch an incessant propaganda campaign aimed at creating the impression that negotiations and contacts have begun between Taipei and Peking. That is an old communist trick, and the ROC Government knows it well enough not to be fooled. But that trick may work with foreigners unaware of the situation here and with young Chinese not old enough to have experienced the loss of the Chinese mainland.

Peking's peace overtures are a euphemism for war. They are aimed at undermining the morale of the people on Taiwan and at driving a wedge between the ROC and its friends and allies. The ROC Government's "three no" policy is correct and in fact extremely important.

But in light of the communist disinformation war, the ROC must think up effective countermeasures to thwart the plot. Toward this end, we suggest that the government take the following steps:

-- Continue to promote economic development but, meanwhile, develop social welfare measures and further narrow the gap between the rich and poor. A good life for all the citizens and equitable distribution of wealth are the most effective antidote against communist disinformation. The economic systems also provide a sharp contrast of the two sides of the Taiwan Strait and prove the superiority of free enterprise.

-- Step up the preservation and promotion of traditional Chinese culture. This will give more credibility, in the eyes of overseas and mainland Chinese, to the claim that Taiwan is where orthodox Chinese culture exists and remains vigorous.

-- Intensify communication with the people on the mainland through various channels to inform them of the good life, personal freedom, and existence of orthdox Chinese culture on Taiwan.

These messages, if communicated to those on the mainland in an earnest and down-to-earth tone, will contribute tremendously to winning the hearts and minds of the one billion mainland Chinese, including even Chinese Communist cadres. Truth is the best weapon against communist propaganda. To defeat the Peking regime's united front plot, we only need to disseminate the truth.

NUCLEAR PLANT FIRE CAUSED BY FAULTY U.S. DESIGN

OW100355 Taipei CNA in English 0309 GMT 10 Jun 86

[Text] Taipei, June 9 (CNA) -- An investigation has shown that the U.S. General Electric Corp's faulty design, not the Taiwan Power Company's maintenance, caused the fire at the third nuclear-power plant last June, Taipower Chairman Fu Tzu-han said Monday.

Taipower and GE were cooperative and coordinated in undertaking repair of the damaged generator, completing it in April. Commercial operations at the plant will resume after successful completion of test runs, he said, reporting at a budget screening meeting of the Legislative Yuan.

During the period, Taipower also worked with GE and the MPR Consulting Company of the United States to investigate the cause, and results show the design was faulty and GE should be responsible for the fire, he said.

GE will shoulder the costs for all equipment replaced and Taipower paid about NT dlrs 130 million (about US dollars 3.25 million) for the repair of other facilities. But they have not discussed the compensation for the operating losses, amounting to NT dlrs 11 million daily, as the repaired generator is still being tested, he said.

JIEFANGJUN BAO CONFIRMS RECENT PRC NAVAL EXERCISE

HK100118 Hong Kong WEN WEI PO in Chinese 10 Jun 86 p 2

[Dispatch from Correspondent Cheng Hsiang: "Beijing Paper Reports on Major Naval Exercise"]

[Text] Beijing, 9 Jun -- Today's JIEFANGJUN BAO confirms that China's Navy staged its first long-range exercise in the western Pacific during the middle and last 10 days of May.

According to JIEFANGJUN BAO, the exercise included several dozen naval coordinated combat maneuvers and covered several thousand nautical miles. The exercise strengthened the concept of coordination of the commanders of the various branches and types of vessels involved. They acquired better knowledge of how to command in coordinated naval combat. The exercise improved the Navy's capability to react quickly and to fight as a body at long range. The exercise also tested the units' wartime communications security, ship maintenance, equipment and facilities, and political work and so on.

According to JIEFANGJUN BAO, a major purpose of this exercise was to test the assembly of crack units from various units and anchorages to deal with an enemy force as soon as it is sighted. Therefore, the ships and aircraft which took part in this exercise still come at normal times under the leadership of their original organizations and are scattered around at their original bases. They promptly arrive when summoned for the exercise and are placed under the unified leadership of the task force.

JIEFANGJUN BAO points out that the exercise was designed to meet the requirements of the characteristics of future naval warfare. "To avoid being passive and vulnerable to attack in future naval warfare, it is essential to explore new ways of carrying out coordinated naval training."

CHENG MING ANALYZES 'GOLDEN ROOSTER AWARDS' CONTROVERSY

HK090709 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 pp 11-13

[Article by special correspondent Hsiao Chung "The Secretariat of the CPC Central Committee Hacks the Golden Rooster Movie Awards"]

[Text] The date for presenting the annual "Golden Rooster Movie Awards" has passed but the "golden rooster" has so far failed to "crow." Some people say that this year's "Golden Rooster Awards" ceremony has miscarried and has been closed down. Others say that the ceremony is not to be held until this autumn. There are so many contradictory views that is difficult to decide which is right. Still others say that the work of choosing winners for this year's "Golden Rooster Awards" presentation had already been completed in early April but was "hacked" by the secretariat of the CPC Central Committee. I am afraid that it will be unable to revive the presentation of the "Golden Rooster Awards."

In mid-April word was circulating in Beijing that something had gone wrong with the "Golden Rooster Awards." In Hong Kong people said: the "Golden Rooster" has been "castrated." But no one managed to grasp the main points, still less the esstentials, of the real situation.

The Central Secretariat Launches an Attack

I posed this question to a friend in Beijing movie circles: "While the 'Ma Ding incident' and 'Liu Zaifu incident' can be rapidly solved, why, on the contrary, has the annual ' Golden Rooster Awards' presentation developed past the point of no return?"

My friend said: "To be frank with you, we have been told not to disclose the matter to the press. Nevertheless, it has leaked out bit by bit, thus becoming an open secret in the movie community. The domestic media just dared not cover the story."

"Why so?" I asked.

"The 'Golden Rooster Awards' incident is different from the 'Ma Ding incident.' As Zhu Houze said, it was imperative to be prudent in criticizing academic issues, and this attitude was also applicable to the literature and art community. However, besides them (referring to Hu Quaomu and Deng Liqun), Hu Qili, Wan Li, and others from the secretariat also meddled in the current incident of selecting movie winners for the 'Golden Rooster Awards.' This has made things difficult to handle. Hence, here lies the problem," my friend said, helpless to explain.

"Has Zhu Houze made his position known then?" I went on to ask.

"Yes, he has done so," said my friend, "but he has less power than the secretariat. He only promised to act as a mediator and to let the central authorities know the opinions of the Chinese Film Artists Association and the movie selection committee. He is amicable."

The "Golden Rooster Movie Awards" is a Chinese Oscar-equivalent. The prize-winning films reflect the actual level and development orientation of Chinese films. Therefore, they have always attracted the attention of mainland movie circles.

Selection Committee Members Left Beijing After Completing the List of Winners

This year's "Golden Rooster Awards" presentation is the sixth of its kind since selection methods have been reformed. The selection committee is composed of 25 persons, with Xie Jin as director. New members have been added to the committee. They are Wu Tianming, Hu Bingliu, Chen Jialin, Lu Xiaoya, Pang Hong, and Xu Haishan. Eleven of the country's film studios sent 20 films to the selection committee, which began work on 22 March. On 9 April, Shanghai's XINMIN WANBAO was the first to cover the selection activities, predicting that the winner of this year's "Golden Rooster Award" for the best feature film would be "Wild Mountains" produced by the Xian Film Studio, and the best actor and actress would be Liu Zifeng and Yue Hong. It was confirmed later that the Xian Film Studio's "Wild Mountains" (adapted from Jia Pingao's novel entitled "The Chicken-Breeding Family and directed by Yan Xueshu), "Black Cannon," (based on the novel of the same name by Zhang Xianliang, rearranged by Li Wei, and directed by Huang Jianxin) and Zhujiang Film Studio's "Last Masterpiece" (adapted from the novel of the same name by Kong Jiesheng and directed by Zhang Zeming) respectively won major awards. (Of these "Wild Mountains" and "Last Masterpiece" were shown at the Hong Kong International Film Festival in early April. It was decided that the former would be shown on the Nanyang-Nanhua cinema chain in the near future -- editor).

Of the three, "Wild Mountains" attracted the most attention from people, winning five awards, including best movie, script, director, actess (Yue Hong), and dubbing. "Black Cannon" won the best actor award (Liu Zifeng), and "Last Masterpiece" won the best cinematography award.

After the selections were completed and the list of winners was sent to the higher authorities, selection committee members left Beijing. However, they never expected that the selection results would be negated by the CPC Central Committee and that some people would have suggested a re-evaluation.

The Central Authorities Are Inclined To Straighten Things Out in the Movie Industry

Why should the central authorities negate the list of winners selected by the industry experts? I was given some background information that can be traced back to last year.

Organizations engaged in the movie industry have always been administered by the Ministry of Culture. In recent years, they have been continuously dominated by Chen Huangmei and his followers. Under the rule, bureaucratic practices can be found almost everywhere in the movie industry, and new rising forces are supressed. This has long aroused dissatisfaction among young and middle-aged directors, actors and actresses, and other new generation production personnel.

At the beginning of last year, following the meeting of the Chinese Writers Association, the Chinese Film Artists Association also held a meeting where young and middle-aged film artists staged "a coup" and boycotted the older members, thus seizing a certain amount of power from them. This attributes to the reform in the this year's presentation of the two movie awards ["Golden Rooster" and "Hundred Flowers"] and the promotion of new people to the movie selection committee. (In the past, the selection committee has been under control of old people who allowed no change in the committee's membership).

On the other hand, the tendency to commercialize movies last year was getting serious. In particular, some movies with nude scenes were shown at the French Film Festival. This aroused dissatisfaction and created trouble among the people concerned. Some people lodged complaints about this matter with leaders at the central level, including Deng Yingchao, thus arousing dissatisfaction among them. For this reason, at the end of last year, Hu Yaobang himself presided over a meeting accusing the Ministry of Culture of being derelict in its duty. Subsequently, Chen Huangmei and Shi Fangyu, who were in charge of the movie industry, were punished.

It is said that the social benefit and economic results of last year's movies were poor, and rejected movies hit a record high. Leaders of the movie community have aroused discontent from top of the central authorities to straighten things out in the movie industry.

At the end of last year, the Beijing Film Studio completed the shooting of "Fascinating Music Bands," a new film depicting rural reforms. The central authorities felt satisfied with it right away and regarded it as a reform model in the movie world. The central reformers and conservatives reached a concensus on this issue.

On the evening of 11 January this year, Hu Qiaomu, Hu Qili, Deng Liqun, Wang Zhaoguo, Bo Yibo, Rong Gaotang, Zhu Houze, and principal leading comrades of the cultural and press departments saw "Fascinating Music Band" in the Zhongnanhai Auditorium and then held a forum on the film. At the forum Hu Qili said: "It is imperative to combine social benefits and economic results, and to take 'Fascinatng Music Band' as a breakthrough point in this work. Efforts should also be made to work out a set of effective regulations and to do a solid job in straightening things out in the various sectors of the movie industry."

Hu Qiaomu also spoke at the meeting. He said: Films like "Fascinating Music Band" are highly commendable. They are like a fresh spring wind blowing in the direction of audiences throughout the country. He stressed that the departments concerned should define methods to ensure the smooth flow of all outstanding movies from production to circulation, and to work out a set of "traffic" rules and regulations. He hoped that all responsible persons concerned would strive to become good "traffic policemen" and promptly correct any mistakes made in directing "traffic." In every link of the work, they should give the green light to all ideological sound, movies that are useful to the people and socialism, and give the red light to all bad movies that are harmful to the people and socialism.

He said critically: Some people in the literature, art, and cultural circles have never had the interests of the masses and a sense of responsibility to the masses at heart, nor any regard for art and culture, only the worship of money and things Western.

At the meeting Deng Liqun also advocated "two whatevers." He said: Today we invited leaders in charge of central level newspapers to see "Fascinating Music Band" in the hope that all our newspapers would give earnest publicity to whatever good works depict rural reforms and, of course, to whatever good works depict urban reforms, and socialist construction as a whole.

To implement Deng Liqun's, the authorities put organizations engaged in the movie industry, which were formerly administered by the Ministry of Culture, under the jurisdiction of the Ministry of Radio and Television to strengthen the part of movies as a propaganda means) and conveyed the spirit of the central forum in the form of documents, to organizations engaged in the radio and television industry. Immediately, the press and media gave extensive publicity to "Fascinating Music Band" and another film "Our Retired Soldier".

The Central Authorities Say "It Is Fine" While Industry Experts Say "It Is Terrible"

Therefore, in Beijing some people say "Fascinating Music Band" has become popular merely through "exaggeration." This assertion is, of course, somewhat exaggerated but it is not completely without reason. "Fascinating Music Band" depicts farmers in a village who become well-off in the course of rural reforms. Not only do they seek a material life but they also concentrate greater efforts on seeking a rich spiritual life. For that purpose, they go to the town and buy a truckfull of Western musical instruments and form the "Fascinating Music Band." This displays the mental outlook of the new-type farmers of the 1980's.

The contents of the film is quite good but it leaves the audience the impression that what is depicted in it is not quite true to life. Reportedly, when the Beijing Film Studio selected its own best film for 1985 by public appraisal, "Fascinating Music Band," which got the nod of approval from the central authorities, was not among the successful nominees.

People even say that during the April session of the NPC and the CPPCC National Committee, the central authorities took the opportunity to introduce the film to session participants. When they organized the latter to see it, few spectators turned up.

Because the expression techniques used in the film are too traditional and no breakthroughs are effected in it, in the selection of winners for the two movie awards, and in a public opinion poll, the film was not the favorite. Recently, someone wrote an article in XIJU DIANYING BAO (COMEDY FILM NEWS), pointing out its shortcomings: "At present the most serious shortcoming in China's comedy films is that they lack a sense of humor. The traditional techniques of expression, such as coincidence, exaggeration, inverted narration, and revision have consistently dominated the comedy film world. Some prize-winning and relatively good films, such as "Postman's Love Story," "Yuliangwan Incident," and "Fascinating Music Band," cannot escape this framework. Nevertheless, his praise of "Black Cannon" is all the more high-class humor.

XINHUA NEWS AGENCY's "Article for a Restricted Number of People" Makes Things Worse

Although the central authorities hope that "Fascinating Music Band" will win a "Golden Rooster Award," how can it get the approval of the selection committee which consists of industry experts?

This year's "Golden Rooster Awards" presentation did not go smoothly from the outset, because 1985 was widely regarded as a bad harvest year. Some people regarded it as an average harvest year and others regarded it as an off year. In commenting on the movies produced in 1985, industry experts all agreed that there were no works capable of suiting refined and popular tastes, but they generally accepted that there were some excellent movies with a completely new explorative spirit. These were "Wild Mountains," "Black Cannon," "Xiangsi Inn," "The Outcast and the Swan," and "Our Retired Soldier."

Earlier this year, the editorial departments of the magazine DIANYING YISHU (MOVIE ART) held a forum in Beijing, inviting 60 movie theorists and critics. Forum participants widely believed that of the films produced in 1985, it was regretted that none of them were as good as the films produced in 1984, such as "Wreaths at the Foot of a High Mountain" and "Young Girl in Red." This made forum participants worry that some items might be lacking in this year's double award presentation activities.

This is really the truth. However, at last the selection committee members chose "Wild Mountains," regarding it as a relatively creative work. The film tells of the second marriages of two brothers. It portrays two brothers in a village in the northwestern region of the country exchanging wives and rebuilding their families as a result of the contradictions between reformist and conservative forces. The film won five awards.

The best leading actor award went to Liu Zifeng, hero of "Black Cannon." This film tells of an engineer of wretched appearance who does not know much about the ways of the world. One rainy night, he rushes to a post office to send a telegram. It reads: "Black Cannon (Chess) lost. 301 looking for Zhao." This arouses the suspicions of a "highly vigilant" female employee. A series of investigations against him are then conducted behind his back by the Public Security Bureau, and the unit where he works. The engineer loses a chessman and he then sends a telegram to room 301 of a hotel in another city to ask his friend, whose surname is Zhao, to look for it. This leads unexpectedly to a "spy-investigation" case.

Although the two films were shown late to the public, the response was surprisingly good. (When "Black Cannon" was first sent for examination and approval to the authorities concerned, it was flatly rejected. Two months later, after being revised, it passed the required political examination and was allowed to be shown on a trial basis. It was not until 1 May this year that it was formally shown in Beijing.) They have been praised everywhere, both at home and abroad. In the selection activities, "Wild Mountains" won five awards. From this, we can see the opinions of the Chinese industry experts. Abroad, Hong Kong writer Shih Shu-ching openly stated: "The film is exceedingly good." Not long ago, French movie expert (Pierre Lision) [4122 1022 5079 6849 2448 2491] also said in Beijing: "During my current visit to Beijing, I have seen about 10 films, of which "Wild Mountains" is the most interesting. This is the first Chinese film I have ever see that does not attempt to state all clearly. In the Western world, audiences like this veiled method of directing."

The response to "Black Cannon" which deals with problems concerning the policy toward intellectuals and the guarantee of citizens' freedom of communication, was also extraordinarily enthusiastic. Some people say that the film's merit lies in making a big issue of a lost chessman. It is a rare film depicting the reforms. Highly appraising the film, writer Li Tuo said: "The film boldly safeguards the line adopted by the 3d Plenary Session of the 11th CPC Central Committee." "China's film art has become more mature....Liu Zifeng's performance technique should be explored and studied as an unique issue, because, for the first time in the last few years, an actor has managed to surpass any actress in performance terms. Moreover, the hero of 'Black Cannon' is successfully played by a plain and wretched looking man who is neither attractive nor manly. As I see it, this is a tremendous contribution by Huang Jianxin."

Since the two films have won such high praise, it is only natural that they should win "Golden Rooster Awards." However, there is still a difference of views between industry experts and audiences on the one hand, and the CPC Central Committee on the other, about depicting the reforms and safeguarding the 3d Plenary Session of the 11th CPC Central Committee, in view of the central authorities having only recently issued their instructions on "Fascinating Music Band." Some people say: The audience cannot tolerate the scene of "two brothers exchanging wives" as shown in "Wild Mountains" and even veiled "lovemaking" scenes. They think "Black Cannon" has damaged the party's image and that of the public security organs.

Formerly, the central authorities thought the selection committee would select "Fascinating Music Band" as a prize winner, but they later found their suggestion was not respected. This, plus a XINHUA reporter's article critical of the selection committee, circulated among a restricted number of people, emboldened the central secretariat to veto the selection results and demand a re-evaluation.

Selection Committee Members and the Secretarait Refuse to Budge

Selection committee members were greatly dissatisfied with the Secretariat's decision. Although Zhu Houze acted as a mediator, some committee members still refused to return to Beijing for a re-evaluation, using various pretexts. Even selection committee director Xie Jin was not in Beijing. Therefore, it is impossible to hold a re-evaluation session. Some committee members said resentfully: Some secretaries said the "Fascinating Music Band" should be selected and others favored the selected of "Our Retired Soldier."

As for the charges laid against "Wild Mountains," some people said there were three, and others argued there were two. It is hard to decide which of the arguments is right. Since Hu Qili, Wan Li, Hu Qiaomu, and Deng Liqun have their own ideas, and members of the Secretariat failed to reach a concensus on the matter, how could the selection committee members carry out the re-evaluation as demanded?

Some committee members said: Several public opinion polls and votes cast by the readers of DAZHONG DIANYING's (POPULAR MOVIE) "Hundred Flowers Award" column, reveal that what the committee selected was not "highbrow songs which find few singers" but instead was close to their own assessment, and that the audience at large does not all necessarily love the "Fascinating Music Band" that "is loved by the masses."

A person in movie circles said: The current selection work is certainly not an easy job. In former years, industry experts did their own thing while the intentions of the central authorities could be put in the category of "the Culture Ministry Award." But not the ministry no longer administers the movie industry and the ministry award has also ceased to be presented, unless we set up another one.

The Secretariat of the Chinese Film Artists' Association held a special meeting in early May to study whether the sixth presentation of "Golden Rooster Awards" should be continued, and the way it should be carried out. The meeting did not turn out any positive results. Some participants suggested that a re-evaluation be conducted at a later date, and others maintained that since the year's selection of winners for "Golden Rooster Awards" was really "very difficult" and committee members feared inviting new "trouble," the award presentation should be suspended for a year. There were still others who said in private, that it would be better to drag the matter on until Zhu Houze and the Secretariat made coordinated efforts to settle it.

PENG ZHEN'S DAUGHTER REPORTEDLY 'CLEARED' OF CHARGES

HK08032 Hong Kong SUNDAY STANDARD in English 8 Jun 86 p 1

[Text] The daughter of a top Chinese leader, Peng Zhen, has cleared herself of corruption charges levelled against her, according to one of her close Hong Kong trading partners.

The partner, who preferred not to be named, told the SUNDAY STANDARD that Fu Yan, daughter of Mr Peng, chairman of the Standing Committee of the Sixth National People's Congress (NPC), passed through Hong Kong last Tuesday.

Miss Fu is now on a two week visit to Canada where she is expected to attend local public functions before returning via Hong Kong. Approval of her visit abroad is understood to have followed the Beijing authorities clearing her of any involvement in corruption and as recompense for the rumours about her.

In early February, a foreign wire service carried a report that Miss Fu had sold 300,000 tonnes of coal below official price to a foreign company in the middle of 1985. In return, she had allegedly accepted a bribe of US$300,000. The article said the company was then closed, but Miss Fu's fate was unknown because her father is one of China's most senior leaders.

Speaking to her partner about the rumors of her involvement in corruption, Miss Fu said she had not touched a piece of coal. She added that the foreign reporter had mixed her up with another person. But she did not elaborate further.

Hong Kong reporters directed questions about Miss Fu's alleged corruption to Zeng Tao, a deputy secretary-general of the NPC, at a Beijing press conference in March, but he avoided answering.

DAYA BAY NUCLEAR PLANT SAFETY 'MATTER FOR CHINA'

HK080332 Hong Kong SUNDAY STANDARD in English 8 Jun 86 p 3

[Text] Chairman of China Light And Power Company yesterday said the safety problems of the Daya Bay nuclear power project should be a matter for China, the owner of the plant. His company will just purchase power from China, said Lord Kadoorie.

But the company, through a subsidiary, has 25 percent stake in the project and has agreed to purchase 70 percent of the power generated from the plant.

He said the directors of the company are responsible persons who have always looked after the interests of the Hong Kong people.

Speaking after the opening of the Kadoorie Agricultural Research Centre, he stressed that the plant would be as safe as humans could make it. But he refused to comment on recent public objections to the nuclear project. The public, including many pressure groups, have called for a halt to the project until there is an absolute guarantee of its safety.

Umelco's Public Utilities Panel has promised to disclose as much information as possible relating to safety measures at the plant, but has not asked that the project be halted.

Legco member Miss Maria Tam said recently there would be an open discussion with experts to answer questions to the project. Information would be passed on to the public through a press meeting after each panel discussion, or the Chinese authorities could contact the press.

A regional council member, Mr Tsang Kwong-yuen, has joined the opposing force and has asked that the project be shelved.

In a letter he sent the STANDARD yesterday, Mr Tsang said human technology, no matter how advanced, cannot be absolutely faultless. He writes that the Chinese authorities should weigh the danger posed to the Hong Kong and Chinese people and seriously reconsider the project.

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FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Refutes Shelling of SRV Camp

OW110812 Beijing XINHUA in English 0802 GMT 11 Jun 86

[Text] Beijing, June 11 (XINHUA) -- A Chinese Foreign Ministry Spokesman at a weekly news briefing today called Vietnamese accusation of China's shelling of a summer camp in Vietnam's Ha Tuyen Province a "sheer fabrication and vicious slander."

The alleged shelling, said to occur June 1, was a "despicable ploy by the Vietnamese authorities in an attempt to stir up anti-China sentiments and undermine the friendship between the Chinese and the Vietnamese peoples," the spokesman pointed out.

"According to the outcome of an investigation and verification by the Chinese authorities concerned, on the very day of June 1, the Vietnamese forces continued their armed provications with heavy bombardment on the border areas in China's Yunnan Province. Thousands of artillery shells were fired and several Chinese border inhabitants were killed or wounded," he said.

The spokesman added that Vietnamese troops were also dispatched repeatedly for attacking and harassing Chinese border positions and encountered deserved counterattacks by the Chinese border guards.

Mali President To Visit

OW110732 Beijing XINHUA in English 0726 GMT 11 Jun 86

[Text] Beijing, June 11 (XINHUA) -- General Moussa Traore, president of the Republic of Mali, and his wife will pay an official visit to China from June 19 to 26 at the invitation of President Li Xiannian. A foreign Ministry spokesman announced this at today's weekly news briefing. This is President Moussa Traore's third visit to China, after his visits in 1973 and 1981.

GORBACHEV CONDEMNS U.S. NUCLEAR POLICY

OW100153 Beijing XINHUA in English 0046 GMT 10 Jun 86

[Text] Budapest, June 9 (XINHUA) -- Visiting Soviet leader Mikhail Gorbachev today condemned the U.S. nuclear policy as "immoral and most dangerous", saying Washington is risking human life for its own interests. Gorbachev, the Soviet Communist Party general secretary, who arrived here Sunday for a two-day official visit before attending a Warsaw Pact summit meeting, made the remarks at a mass rally to welcome him in the capital city.

He said the Soviet Union has stopped nuclear tests for nearly one year. The purpose of the Soviet unilateral moratorium, he noted, was to persuade the United States to follow suit.

On the nuclear weapons deployed on the European continent by the United States and the Soviet Union, Gorbachev reiterated Moscow's earlier proposal that the two countries should destroy their weapons and that Britain, France and other countries capable of producing such weapons should not make them again. He admitted that the problems can not be solved immediately but there should be progress. The Soviet Union is willing to begin talks with Britain and France in this aspect, he said.

Noting that "we live in a difficult and complex era," Gorbachev said the Soviet Union had proposed to the United Nations not long ago to "make space an arena of 'star peace', rather than 'star wars'."

On the April 26 Chernobyl nuclear accident in the Soviet Union, Gorbachev said security measures have been enforced on all the operating nuclear power stations and those under construction. He said attention should be paid to material, moral and psychological problems caused by nuclear accidents. While proposing a law to ensure state medical service, housing and other material help to the victims of nuclear accidents, Gorbachev warned that such accidents should not be used to stir up tension and distrust in inter-state relations.

On socialist construction in other countries, Gorbachev said the Soviet Union is closely following the methods Hungary and other countries are employing in solving their economic problems. The Soviet Union will explore all methods that strengthen its economy, politics and ideology, Gorbachev said. Time does not allow socialist countries other choices and to explore a road creatively has become a new historical challenge to socialism, he said.

Janos Kadar, general secretary of the leading Socialist Workers' Party of Hungary, who also attended the gathering, said in his speech that the Warsaw Pact summit to be held tomorrow comes at a time of tense and contradictory international situation. The states attending the meeting will support peaceful coexistence between countries with different social systems and a world in which every one can live a free and democratic life, he said.

SALT II TREATY IN DANGER OF 'DISINTEGRATION'

OW101312 Beijing XINHUA Domestic Service in Chinese 1313 GMT 9 Jun 86

[By reporter Ju Mengjun]

[Text] Beijing, 9 Jun (XINHUA) -- XINHUA Roundup: USSR-U.S. Strategic Arms Limitation Treaty in Danger of Disintegration.

There has been no progress in USSR-U.S. Geneva arms control talks, and a few agreements concerning arms control between the two countries -- the most important of which being the second stage Strategic Arms Limitation Treaty [SALT II] -- are also in danger of disintegration. The U.S. authorities have said they will no longer observe this treaty. The Soviet Union has categorically declared that it will not be bound by the treaty if Reagan puts the decision into practice.

The SALT II Treaty was signed in Vienna in June 1979 by then Soviet leader Brezhnev and former U.S. President Carter. The treaty was valid until 31 December 1985. But according to provisions, the treaty is automatically extended if neither party declares it void. The treaty has somewhat limited the two countries' offensive strategic weapons. For instance, each side is limited to 1,320 MIRV ballistic missiles and strategic weapons carriers such as heavy bombers equipped with such missiles. It allows for improving existing strategic weapons but places strict limitations on the development of new type weapons, allowing each side to produce and deploy one type of new strategic missile.

All along, the treaty has not been approved by the U.S. Congress because of the Soviet armed intervention into Afghanistan toward the end of 1979. After his inauguraton as U.S. President in January 1981, Reagan held that SALT II had a "fatal flaw." However, considering possible implications, he said he would still abide by the treaty.

For several years, the Soviet Union and the United States have been locked in endless arguments over the treaty, accusing each other of violations. The United States has accused the Soviet Union of not observing the limitation clause on research and deployment of only one type of new intercontinental ballistic missile, saying the Soviet Union has deployed new SS-25 intercontinental ballistic missiles. It has also accused the Soviet Union of sabotaging stipulation on verification because the latter has converted remote measuring data of missile tests into secret code, making it difficult for the United States to verify Soviet missile tests. The Soviet Union, on the other hand, has categorically said that the "SS-25" missile is "nonexistent" and that the alleged missile referred to by the West is, as a matter of fact, an improved version of the SS-12; hence it does not fall within the scope of limitations. It has thrown back the accusation, saying the United States has violated the treaty by developing a second type of Midget, a new intercontinental ballistic missile. It sees U.S. deployment of Pershing 2 and cruise missiles in Western Europe as a violation of clause 12 of the treaty. In brief, such verbal exchanges have been going on constantly, and there is no end in sight.

Now, the U.S. Government is prepared to unilaterally scrap the treaty, citing as its reason, Soviet noncompliance with SALT II. On 27 May, Reagan declared that the United States would not be bound by the treaty later this year, and by that time, the number of B-52 bombers equipped with cruise missiles would exceed the treaty limitations. Defense Secretary Weinberger said it more to the point; he said the United States would probably break the limit of 1,320 strategic missile launchers as stipulated in the treaty by August or September this year. They note that the Soviet Union is "leading in time" in developing nuclear strength. Only by eliminating "man-made limitations" in the SALT II Treaty can the United States restore the "full strength of deterrence."

The Soviet Union has reacted strongly to the Reagan administration decision. On 31 May, the Soviet Government issued a statement saying it would not "stand idly by." Akhromeyev, chief of General Staff of the Soviet Armed Forces, said on 4 June that "the Soviet Union will find a sufficient and effective countermeasure" if the U.S. deploys strategic weapons exceeding the treaty limitations. The Soviet Union has also warned that if the United States scraps the treaty, it would affect the entire USSR-U.S. relations, this year's scheduled summit meeting, and the USSR-U.S. Geneva talks.

Like all other USSR-U.S. arms treaties, the SALT II Treaty has not, in the past 7 years, put a real stop to the nuclear arms race between the two countries. But, it is better than nothing. At least it has verbal restrictions. Therefore, Reagan's decision has met with opposition or reservations from a large number of people in the country and from almost all U.S. allies. People are concerned that disintegration of the treaty will be like adding fuel to the fire and that the unchecked arms race between the two superpowers will be even harder to control.

FRG, UK, U.S. COOPERATE ON SHORT-RANGE MISSILE

OW100211 Beijing XINHUA in English 0101 GMT 10 Jun 86

[Text] Bonn, June 9 (XINHUA) -- The Federal German Defence Ministry today confirmed that it will cooperate with the United States and Britain in developing a short-range tactical missile.

The missile will be equipped with conventional warhead and is designed to strike missile bases and enemy forces well behind the front. It will have a range of about 400 kilometers enabling a fighter bomber such as the West-European co-produced Tornado to fire the missile and yet remain out of enemy radar range. The three countries plan to produce 500 such missiles.

Up to 1984, Federal Germany was not allowed to produce missiles with a range beyond 70 kilometers. The Federal German decision to join in the development of the missile has been criticized by the Soviet Union. The Soviet news agency TASS said the action gives a "green light" to an arms race along the Rhine.

ZHAO ZIYANG DISCUSSES COOPERATION WITH UNIDO

OW101406 Beijing XINHUA in English 1353 GMT 10 Jun 86

[Text] Beijing, June 10 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China is willing to further its cooperation with the United Nations Industrial Development Organization (UNIDO).

"With a view to China's present economic development, there are broad prospects for such cooperation," he added. The Chinese premier made these remarks at a meeting with Domingo L. Siazon Jr., director-general of UNIDO, and his party here this afternoon. Zhao praised the U.N. organization for its efforts in promoting industrial development of various countries for many years.

He expressed satisfaction with the cooperation betwen the U.N. organization and China in the past decade or so, especially since 1978. "Your generous assistance in industrial technologies has helped China in its modernization drive," he said. He said that during the country's Seventh Five-Year Plan for Socio-Economic Development (1986-90), China's national economy will maintain steady development, which calls for strengthened cooperation with the U.N. organization in training industrial technicians and managers. Since the economies of developing countries are relatively backward, he said, it will be important to help these countries train their technical personnel. China hopes to get further help from the U.N. organization in this regard.

He also expressed the hope that the U.N. organization will play a more important role in improving North-South relations and promoting South-South cooperation in particular.

Siazon told Zhao that there are broad prospects for cooperation between his organization and China, which not only receives assistance from his organization, but also takes an active part in the organization's work to help other Third World countries. He expressed admiration for China's rapid industrial development in recent years. He said that UNIDO, which has followed closely China's development, is willing to further its cooperation with China in personnal training. After the meeting, Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin hosted a dinner for Siazon and his party, who arrived here this afternoon as his guests.

PRC DELEGATE SPEAKS TO UN DEVELOPMENT MEETING

OW101819 Beijing XINHUA in English 1429 GMT 10 Jun 86

[Text] Geneva, June 10 (XINHUA) -- China today appealed to the world community to help developing countries exploit their human resources, saying it would be an act of far-reaching significance.

Addressing the 33rd council meeting of the United Nations Development Program (UNDP), Shen Jueren, head of the Chinese delegation and assistant minister of foreign economic relations and trade, said "human resource development is a decisive factor in a nation's socio-economic development and scientific and technological advancement."

The meeting, which began on June 2, is reviewing UNDP's working report for 1985 and its plans to assist 45 countries, including China. Today's session focused on human resource development.

Shen said the world is in the midst of a technological revolution that continues to accelerate, making human resource development essential. By nurturing human resources, developing nations will not only help themselves but also help all of human society and the global economy, Shen said.

He urged the entire international community, including the developed countries and international financial institutions, to support the human resource development efforts of the developing world. China, which is also a developing country, regards human resource development, especially education, as the key to the success of its modernization, Shen said.

While introducing China's past achievements, Shen said China greatly values intellectual development and its national spending on education will be 72 percent more in the next five years than in the previous five years. Local governments will also devote a greater part of their budgets to education, he added.

On international cooperation, Shen said China, in providing economic and technical assistance to other countries, is not trying to make the recipient countries dependent upon China, but rather wants to help them become self-reliant. He said China by the end of 1984 had sent more than 400,000 engineers and technicians to other developing countries and accepted more than 50,000 trainees to study in China.

WAN LI MEETS INTERNATIONAL PHYSICIANS

OW081224 Beijing XINHUA in English 1136 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Chinese Vice-Premier Wan Li met here today a delegation from the International Physicians for the Prevention of Nuclear War (IPPNW), an organization which won the 1985 Nobel Peace Prize. During the meeting, Wan reiterated the position of the Chinese Government for a total ban of nuclear weapons.

He said that the main task facing China today is to improve the material and cultural life of its people. Therefore, China needs a stable and peaceful international environment. He pointed out that dangers in the world today mainly come from the arms race between the two superpowers. This year, he said, is the International Year of Peace, an issue of concern to the whole mankind. Doctors know even better the harm of nuclear weapons to human beings. "Let's work together for world peace and development," he added.

The seven-member delegation led by U.S. Cardiologist Bernard Lown and Soviet Cardiologist Yevgeniy I. Chazov, co-presidents of the organization, arrived here June 5 at the invitation of the Chinese Medical Association. During their stay here, the physicians lectured on the medical and ecological consequences of a nuclear war.

FOREIGN MINISTRY DEMANDS JAPANESE BOOK REVISION

OW091444 Beijing XINHUA in English 1432 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- The Chinese Foreign Ministry has sent a stern note to the Japanese Embassy here, demanding Japan correct a proposed high school textbook that grossly distorts the history of the Sino-Japanese war.

Yang Zhenya, director of the Asian Affairs Department of the Chinese Foreign Ministry, last Saturday delivered a note to Kagechika Matano, acting Japanese charge d'affaires, stressing that the textbook runs counter to the Japanese Government's promise to seriously "self-examine" the great harm Japan inflicted upon the Chinese people during Japan's 1937-1945 war against China.

At issue is a revised Japanese history textbook for high school use that was compiled by the National Council for the Defence of Japan and recently approved by the Japanese Education Ministry. The book distorts history in several places, such as describing Japan's aggression against China as necessary, glossing over the holocaust perpetrated by Japanese troops in Nanjing in 1937, and whitewashing the Pacific War as Japan's efforts to "liberate Asia from the rule of European and American powers and to build a greater East Asia Co-prosperity Sphere."

In today's note, the Chinese Foreign Ministry recalled a 1982 promise by the chief of the Japanese Cabinet that in checking textbooks Japan would naturally abide by the Sino-Japanese joint statement in which Japan said it would examine its war against China. The note said that the Japanese Education Ministry failed to honour the commitment by approving the textbook.

"To safeguard Sino-Japanese friendship and guarantee a healthy development of relations between the two countries, the Chinese Government strongly demands that the Japanese Government implement its 1982 commitment in the spirit of the Sino-Japanese joint statement and eliminate the negative effects caused by the issue," the note says.

Since Japan has explained that the textbook has yet to get final approval, China hopes the issue will be seriously handled and swift and effective measures will be taken to rectify the erroneous accounts in the textbook, the note says.

HU QILI MEETS JAPANESE WOMAN NOVELIST

OW071045 Beijing XINHUA in English 1024 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, met Japanese woman writer Toyoko Yamasaki here today. The Japanese writer presented Hu with two copies of her own works "The Glorious Family", one in Japanese and the other in Chinese.

She has made several trips to China since 1984 to gather materials for a novel themed on the two countries. Hu praised her for the earnest attitude in writing and hard work, and expressed the willingness of his country to continue providing easy accesses for her art creation. The Japanese writer arrived here May 19 as guest of the Chinese Writers' Association.

RADIO BEIJING ON NEW PHILIPPINE GOVERNMENT

HK070605 Beijing International Service in Tagalog 1130 GMT 6 Jun 86

[Radio commentary: "News Roundup on New Philippine Government"]

[Text] Yesterday marked the 100th day in power of Philippine President Corazon Aquino. In the last 3 months, her government has implemented a series of reforms to consolidate the situation, strengthen the new political power, eliminate the remnants of Marcos' forces and influences, and stabilize and develop the national economy. Today, the condition in the Philippines is stable and normal following the chaos in the last days of Marcos' reign. Stores have a more abundant supply of goods as compared to the old days. The stock exchange has resumed its normal operations. More and more tourists and foreigners are arriving to see the country's lovely tropical sights. The administration's prestige at home and abroad is on the rise.

When the new government came to power on 25 February this year, it inherited a country in disarray, the result of 20 years of Marcos' reign, and which is characterized by an unstable political situation, economic depression, mass poverty, and intense social contradictions. Confronted with such a situation, the Aquino government firmly took a series of reform actions.

On the political front, the new government released more than 520 political prisoners imprisoned by the previous Marcos administration. The writ of habeas corpus was restored. A temporary constitution was issued, while the Batasang Pambansa from the Marcos period was abolished. At present, the new government is drafting a new constitution to ensure the stability of the country on a long-term basis.

In order to reorganize the army, the new Philippine Government retired more than 30 high military officials who were close to Marcos, dissolved military organs and units under the direct control of former Chief-of-Staff Fabian Ver, and set up special organs to investigate violations of the law committed by military officials during the Marcos rule.

In order to improve the economic situation, the new government froze and sequestered the ill-gotten wealth of Marcos and his cronies. It also dismantled sugar and copra monopolies of large corporations controlled by Marcos.

Since the new government came to power, prices of petrol products have been twice reduced and $500 million has been allocated to deal with problems of recent lay-offs.

The new government outlined a long-term economic recovery and development plan. It sought a restructuring of the economy with emphasis on agricultural development. Moreover, it encouraged the growth of private enterprises as well as of small and medium-scale enterprises and promoted tourism and exports.

On foreign relations, the establishment of new government led to improved relations with the United States, Japan and other developed states. At the same time, it strengthened its ties with ASEAN states, China, and other developing countries. Within a period of 3 months, the Philippines welcomed more than 10 high-level delegations and also sent its own delegations overseas. Vice President Salvador S. Laurel will visit China on 15 June. He will be the first Philippine leader to come to China since the assumption of office of President Corazon Aquino.

The Aquino government has implemented measures beneficial to stabilizing the situation in the Philippines and has built the foundation for economic recovery. So far, creditor nations and international finance institutions have pledged to grant the Philippines $120 billion in loans and aid. Nevertheless, the administration of Corazon Aquino continues to confront many serious problems and obstacles. In particular, the economic recovery has proceeded at a very slow pace. The economy is heavily burdened with more than $25 billion of foreign debts. It is very difficult to resolve the severe unemployment problem in a short time, while crime rates in some areas have worsened.

The Aquino government is well aware of the gravity of all these problems and has called for a second revolution to revive and develop the economy and, thus, better the lives of the people.

Meanwhile, the government is modifying some of its policies. It is broadening unity in the country. It is paying attention to the interests of labor and capital so as to create an environment favorable for the entry of investments.

As the Aquino government celebrates its 100th day in office, the people acknowledge the remarkable achievements of the new government. However, the march onward is by no means smooth. The new government of Corazon Aquino is presently adopting correct and just policies to strengthen internal unity and coordination. By uniting all forces that can be united, it will certainly be able to lead the Filipino nation to overcome the problems ahead and achieve new victories.

JOURNAL DETAILS SRV 'COLONIAL RULE' IN CAMBODIA

HK080854 Beijing BAN YUE TAN in Chinese No 10, 25 May 86 pp 54, 55

[Article by Yan Ming: "Vietnamese Colonization in Cambodia"]

[Text] In early 1979, after occupying Cambodia militarily, Vietnam helped Heng Samrin establish his puppet regime. With a garrison force of 170,000 or 180,000 in Cambodia, Vietnam is trying to "colonize" the country through an outflow of emigrants to it and to establish its "colonial rule" through political, economic, cultural, and other means.

Cambodia's Backstage Ruler

The Vietnamese "Committee for Work in Cambodia" in Phnom Penh is actually both the most powerful organ of the occupational force and Cambodia's "backstage ruler." In appointing central or local officials and in handling its domestic and foreign affairs, the puppet regime has to listen to this "backstage ruler. Over the past years, as the Cambodian people's anti-Vietnamese struggle has gained momentum, the Vietnamese have been tightening the noose on the puppet regime. By accusing people of "colluding with the enemy," "harboring national sentiments," "not exerting oneself,' and so on, they have weeded many officials from the puppet regime, including "Prime Minister" Pen Sovan and many local officials. Vietnamese "provincial supervisors" (provincial Vietnamese advisers) are assigned to "insecure" areas and given supreme military and political power.

Regarding military affairs, the Vietnamese authorities have set up a Vietnamese garrison force headquarters (codenamed 719) to directly control Heng Samrin's troops and to be responsible for drafting, training and maintaining all military bases.

Composition of the Population Change as a Result of the Influx of a Large Number of Immigrants

Since 1979, Vietnam has been stealthily sending its people to settle in the provinces in eastern Cambodia. In 1982, Vietnam and the Heng Samrin regime signed treaties and agreements concerning the Vietnamese-Cambodian border, transition, border trade, and Vietnamese and Cambodians in each other's country, thus opening Cambodia's eastern gate to the Vietnamese and making Vietnamese emigration to Cambodia something open and legal. According to one report, up to the end of last year, Vietnam had sent more than 700,000 emigrants to Cambodia in 7 years and, in Phnom Penh and some cities and towns, Vietnamese immigrants constitute over 60 percent of the population. Now, Vietnamese immigrants are penetrating the Cambodian interior. Backed by the Vietnamese garrison force, they set up their own organs of political power; occupy by force the richest farmland, fishing grounds, and plantations; and seize houses, farm tools, and farm cattle from the local people, thus driving thousands upon thousands of Cambodians from their hometowns as refugees.

Ethnic Assimilation

Through intermarriages and by educational and cultural means, the Vietnamese are pursuing a policy of ethnic assimilation. In the educational and cultural domains, under the pretext of helping the puppet regime disseminate teaching experience, the Vietnamese force the schools in Cambodia to teach according to Vietnamese teaching plans. Their teachers are either trained by Vietnam or are Cambodian-speaking Vietnamese teachers. Although the textbooks are written in Cambodian, their content and the curricula are decided by the Vietnamese. Cambodian students are receiving a slavish education. At the schools, Vietnamese is one of the compulsory courses. By organizing various "training courses," the Vietnamese send the puppet regime's government officials and military officers on a rotational basis to learn Vietnamese or to receive Vietnamese education. "Promising ones" are sent to Ho Chi Minh City to "further their studies."

For the masses of people, intermarriage means making Cambodian women wives of Vietnamese; for the officials, it means acquiring Vietnamese wives. The Vietnamese authorities encourage demobilized or disabled Vietnamese soldiers in Cambodia to "set up their families" in Cambodia and to marry Cambodian women. Their children and descendants are all entitled to Vietnamese nationality.

Economic Plunder

Claiming that they are "helping the Cambodians develop their country," the Vietnamese have occupied and are still occupying the richest areas in Cambodia. At harvests, the Vietnamese soldiers and immigrants form "armed groups" to crash reap the rice and Vietnamese workers rush to the rubber plantations in central and eastern Cambodia by truck. In Tonle Sap and along the lower course of the Mekong, Vietnamese fishing junks dash about. In the pepper groves in southwestern Cambodia, the Vietnamese are the harvesters. In Phnom Penh and some provincial cities, the most important commercial departments are monopolized by the Vietnamese. The Vietnamese have taken from Cambodia untold amounts of rice, rubber, aquatic products, timber, and other natural resources.

The Vietnamese authorities' colonial rule has inevitably led to Cambodian resentment and resistance. In many rubber plantations in eastern Cambodia, near many fishing grounds, and along many highways, struggles against Vietnam's ethnic assimilation policy and economic plunder have broken out, and many Cambodians have joined the ranks of the struggle against aggression.

FURTHER REPORTAGE ON HU YAOBANG'S EUROPEAN VISIT

At British Library, Other Sites

OW110810 Beijing XINHUA in English 0749 GMT 11 Jun 86

["Round-up: Hu Yaobang Visits British Library, Shakespeare's Home Town, Oxford University" -- XINHUA headline]

[Text] London, June 10 (XINHUA) -- Chinese leader Hu Yaobang today added a historical perspective to his first visit to Britain as he toured three time-honored places associated with such giants as Karl Marx and William Shakespeare. This morning Hu visited the general reading room of the British Library, the scene of research activities by many celebrated thinkers and revolutionaries, including Marx, who wrote "Capital," a classic economics book described by V.I. Lenin as the "bible" for the working class, there.

Stopping at seat 7, row O, once used by Marx, Hu said, "For a period of time Karl Marx came here every day, and sometimes, he stayed here all day long, only having bread for his meals."

The general reading room, which can accommodate more than 600 readers, was built up in 1857 by Antonio Panizzi, an influential Italian architect.

Hu, accompanied by Britain's Minister for the Arts Richard Luce, was presented with a framed facsimile of the Magna Carta, an inscribed copy of "The History of Writing" by Albertine Gaur and a holograph signature of Dr. Sun Yat-sen, the pioneer of the Chinese democratic revolution.

The general secretary was then guided into the king's library where he viewed with interest Shakespeare's signature, the world's earliest printed book, the diamond sutra, and some ancient English books and Chinese scrolls. The British Library, one of the most famous national libraries in the world, possesses over 15.5 million volumes and over 360 miles of shelving.

Concluding his visit to the British Library, the general secretary of the Central Committee of the Chinese Communist Party arrived at Stratford-Upon-Avon, the birthplace of the great dramatist and poet William Shakespeare (1564 - 1616), whose 38 plays and 154 sonnets have won an immortal place in world literature.

Hu, along with Chinese Vice Premier Li Peng and sociologist Fei Xiaotong, visited Shakespeare Center, built in 1964 to mark the 400th anniversary of the dramatist's birth, and a 16th century house in Henry Street where Shakespeare was born and spent his childhood. Hu presented Dr. Levi Fox, Shakespeare Center's director, with an album of theater photos taken during the first "China Shakespeare Drama Festival" in April.

The two-week festival, inaugurated on April 10 to mark the bard's 422nd birthday, had featured 11 Shakespearian plays in Beijing and 13 in Shanghai, drawing a total audience of about 90,000. Four Shakespearian seminars for Chinese and foreign experts were also held in Beijing.

In a letter to the festival, British Prime Minister Mrs. Margaret Thatcher said, "The imagination and effort which have clearly gone into the festival are a tribute both to Shakespeare's greatness and to the cultural energy of the Chinese people." A collection of Shakespearian tales was translated into Chinese 120 years ago, and 60 years later, some of his plays were first performed in China.

During today's visit to Stratford-Upon-Avon, Hu Yaobang emphasized that "Shakespeare belongs not just to Britain, but also the world." "With his unremitting hard work and his great talent, Shakespeare left an enormous and invaluable cultural wealth to people all over the world," the general secretary told a luncheon given in his honor by the mayor of Stratford-Upon-Avon.

Strolling to a beautiful garden on the bank of the river Avon, Hu met four teenage schoolgirls and had a happy chat with them. Sitting cross-legged on the grass, the Chinese leader asked through interpreter whether they knew the location of China, and then gave the smiling girls gifts including books on Chinese painting.

In the afternoon, the Chinese guests visited Oxford University, one of the world's oldest and most prestigious institutions of higher learning. He visited Oxford Instruments Limited, the Oxford University Press and the Oxford University Department of Metallurgy.

Speaking at a dinner hosted by Oxford University Chancellor Lord Stockton, Hu praised the university for training tens of thousands of statesmen, scientists and men of letters, including many Chinese scholars. At the end of the dinner, Hu showed the 93-year-old Lord Stockton a list of 3,000 books to be presented to the university as a gift from China.

The university, founded in the early 12th century, was a leading center of learning throughout the Middle Ages, and produced such scholars as Roger Bacon, Duns Scotus, John Wycliffe. It has maintained an outstanding reputation, especially in the classics, theology, and political science.

FRG Official Welcomes Visit

OW110215 Beijing XINHUA in English 0144 GMT 11 Jun 86

[Text] Bonn, June 10 (XINHUA) -- A Federal German spokesman said here today that Chinese leader Hu Yaobang's scheduled visit to Federal Germany symbolizes the strong political and economic relations between the two countries. Hu Yaobang, general secretary of the Central Committee of the Communist Party of China, will pay an official visit to Federal Germany from June 12-16. He is now visiting Britain on the first leg of his European trip, which will also take him to France and Italy.

During an interview with a group of Chinese reporters, government spokesman Friedhelm Ost said that Federal German leaders will discuss with Hu China's economic reforms, Sino-American relations, China's views on disarmament and arms control negotiations, the situation in Asia, North-South dialogue and the development of the Third World.

In China, Ost said, the situation is stable, the economic reforms are popular, and most recently another five-year plan (1987-91) has been adopted. China, which is self-reliant and pursues an independent foreign policy, has its own views on arms control and disarmament, Ost said.

Hu's upcoming visit is one of a series of top-level exchanges between China and Federal Germany in recent years. In 1982, Federal German President Karl Carstens paid a visit to China, which was followed by Federal Chancellor Helmut Kohl's China visit in 1984 and Chinese Premier Zhao Ziyang's visit to Federal Germany in 1985. Last October, foreign ministers of the two countries began political consultations in Beijing.

The exchanges, Ost said, prove that active and solid relations exist between Federal Germany and China.

Bilateral economic relations are also developing smoothly, Ost said. China is now Federal Germany's second largest trade partner in the Far East, after Japan. Federal Germany's export volume to China in 1985 reached 6.4 billion marks (about 2.8 billion U.S. dollars). Federal Germany values long-term cooperation with China, which is beneficial to both sides, Ost said.

On the international situation, Ost said Asian and European countries should all urge Washington and Moscow to continue their summit meetings that began last fall and take concrete measures in disarmament and arms control.

Asian countries, particularly China, have great political influence in the world and that influence is growing and will play a major role in the maintenance of world peace, Ost said. The Asian and Pacific region also has bright economic prospects, and Federal Germany hopes to become a good partner to this region, Ost added.

FRG Ties Reviewed Before Visit

OW110138 Beijing XINHUA in English 0106 GMT 11 Jun 86

["Round-up: Sino-Federal German Ties Develop Steadily (by Xia Zhimian)" -- XINHUA headline)

[Text] Bonn, June 11 (XINHUA) -- Steady development of Sino-Federal German relations has paved the way for Hu Yaobang, general secretary of the Communist Party of China (CPC), to make his first visit to Federal Germany. Hu will arrive here on June 12, on a five-day official visit at the invitation of Federal Chancellor Helmut Kohl and President Willy Brandt of the Social Democratic Party of Germany.

This is the first time for a top CPC leader to visit Bonn in 37 years after the founding of new China. His coming has been highlighted in local newspapers recently, and has been described as a significant event in the history of the development of Sino-Federal German relations.

Since the beginning of the 1980's, there have been increasing contacts and visits between government leaders of the two countries. Federal German President Karl Carstens flew to Beijing for an official visit in 1982. He was followed by Chancellor Helmut Kohl in 1984. In return, Chinese Premier Zhao Ziyang paid a visit to Federal Germany last year. Hu's forthcoming trip here is actually the continuation of these developments. In addition, almost all of the minister-presidents of Federal Germany have visited China.

Such frequent mutual visits reflects a healthy development of political relations between the two countries. In fact, Beijing and Bonn have a similar approach to a number of issues, such as opposing the international arms race, maintaining peace in Europe and the world as a whole, developing the Third World and narrowing the gap between the North and the South. A number of influential Federal German figures have pointed out that there are no conflicts of fundamental interest between the two countries.

Bonn has constantly upheld that bilateral economic ties are the core of the relationship between China and Federal Germany. Two-way trade rose by 125 percent to some 3.9 billion U.S. dollars, from 1.7 billion dollars during the 1981-1985 period. Germany tops the list of China's trading partners in Europe and is the fourth largest Chinese trading partner in the world.

In addition to merchandise trade, Beijing and Bonn have enlarged their scope of business to include the transfer of technical know-how and joint ventures. Statistics show that China signed 160 contracts with Federal Germany to import up-to-date Federal German technology between 1979 and 1985. Federal Germany's direct investments in China have amounted to about 26.5 million dollars. All of this has convinced many Federal German businessmen of a prosperous future in economic cooperation with China.

The smooth development of political and economic relations between the two countries has also produced an impact on the cultural life and scientific and technological activities of the two peoples. A series of agreements and accords signed by Beijing and Bonn, including the 1979 cultural exchange agreement, the 1980 accord on cooperation in public health, and agreements on peaceful utilization of nuclear energy and space technology signed in 1984, have brought about a cultural exchange boom. Many theater troupes and exhibitions, as well as writers and artists, have been exchanged, and serve as a bridge of understanding between the two peoples.

130 Federal German students are studying at 50 universities in China while 1,300 Chinese students are in Federal Germany. German is being taught in 21 Chinese universities and 30 special high schools, and Chinese courses are available at 21 Federal German universities and eight high schools.

China is attracting more and more Federal German tourists, who totalled 43,000 in 1985, tripling the 14,700 figure for 1980.

All of these developments suggest that Hu's trip will further promote an increase in bilateral relations and even greater understanding between the two peoples.

YANG DEZHI RECEIVES ITALIAN AIR FORCE HEAD

OW101150 Beijing XINHUA in English 1018 GMT 10 Jun 86

[Text] Beijing, June 10 (XINHUA) -- Yang Dezhi, chief of the general staff of the Chinese People's Liberation Army (PLA), met with Basilio Cottone, chief of the Air Force staff of Italy, his wife and their party here today.

Yang said that Cottone's visit to China shows the good relations between the two countries and their armies. He expressed the hope for increased exchanges and cooperation between the two armies.

Commander of the PLA Air Force Wang Hai was present at the meeting.

This morning, Cottone and his party visited the Shijiazhuang Aviation School, and the site of a PLA Air Force unit, where they watched a demonstration of flying skills.

FURTHER REPORTAGE ON POLISH PARLIAMENTARIANS VISIT

Briefed by NPC's Ye Fei

OW060924 Beijing XINHUA in English 0747 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- Ye Fei, vice-chairman of the National People's Congress Standing Committee, today told Marshal of the Polish Parliament Roman Malinowski that China rejoiced at the improvement of bilateral ties over the past few years. Briefing a Polish parliamentary delegation he is leading on China's economic restructuring during talks here today, Ye Fei acknowledged that there have been both successes and failures in its socialist construction over the past 30 years.

"There were many defects with the old model, which mainly involved excessive interferences and rigid control over economic performance by the government, so that China was resolved to reform, he said.

Malinowski said the sound cooperative relations between the two countries accord with the interests of the two peoples and the traditional friendship and the common goal of socialism also promote their cooperation. Poland is willing to expand cooperation with China in all fields and establish long-term and stable economic cooperative ties with it, he said. Great potentials exist in this aspect. Poland, too, is in the stage of economic reform, and sharing of each other's experience in this field will be beneficial to both countries, Malinowski said. Moreover, he spoke highly of China's support to Poland at the time of difficulty.

The two sides also exchanged views on international issues of mutual interest. After the talks, Wang Renzhong, vice-chairman of the National People's Congress Standing Committee, called on Malinowski at the Diaoyutai State Guest House here and luncheoned with him. Earlier today, the Polish visitors laid a wreath at the Monument to the people's heroes.

Hu Yaobang Urges More Cooperation

OW061440 Beijing XINHUA in English 1421 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- Communist Party Chief Hu Yaobang said today that China and Poland should expand co-operation in trade, economic matters, science, technology and culture as both countries were sincere about strengthening relations.

During a meeting with a Polish delegation led by Roman Malinowski, marshal of the Polish Parliament, at Zhongnanhai, Beijing, Hu, party general secretary, said relations between the two countries had been very good for a very long time. He said: "We'll never forget the friendly sentiments of the Polish Party, Government and people towards us. It is a fact that our countries have been estranged for some time in the past, but now the situation has changed." In recent years, exchanges of visits between senio leaders of the two countries had increased. "This is a good thing," said Hu.

Briefing the guests on China's domestic conditions, Hu said China would stick to its policy of opening to the rest of the world, and would develop economic co-operation with socialist countries, Third World countries and capitalist nations.

He said communists of the world shared the responsibility of safeguarding world peace. Chinese communists would never falter in this regard.

Communists should draw a clear line of demarcation with the capitalist system and hegemonism, he said, but in dealing with bilateral relations, they should adhere to the five principles of peaceful coexistence.

Malinowski said that Polish leaders had attached great importance to their friendly relations with China, and were pleased with the development of friendship between their countries. They both understood each other's national interests, and supported each other in international affairs. The traditional friendship between the two peoples and their socialist goals had laid a solid foundation for the further development of Sino-Polish friendship.

Malinowski said Poland was very interested in and respected the achievements China had made in its economic reforms, and believed that China's reforms and those of Poland were making important contributions to socialist construction. Poland was also keen to see an expansion of bilateral co-operation and more exchanges of visits between social and political organizations.

Ye Fei, vice-chairman of the National People's Congress Standing Committee, attended the meeting.

Meets Vice President Ulanhu

OW071134 Beijing XINHUA in English 1115 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- Chinese Vice-President Ulanhu today told a visiting Polish parliamentary delegation that China treasures Sino-Polish friendship and will continue its cooperation with Poland. Ulanhu expressed his satisfaction over the fast-growing cooperation between the two countries in the fields of economics, trade, science and technology and culture, at a meeting with the delegation led by Marshal Roman Malinowski here today.

Bilateral trade between the two countries in 1985 was three times that of 1984, the vice-president noted. There is a traditional friendship and no conflict of fundamental interest betwen China and Poland, he said, adding that the two countries are both dedicated to peace. Both are socialist countries engaged in economic restructuring and they should share each other's experience, he said. China sincerely hoped that Poland will enjoy stability and unity and economic prosperity, he added.

Malinowski said his delegation is the first Polish parliamentary group to visit China, which shows that the relations between the two countries have attained a pretty high level. He expressed the hope that the visit could promote bilateral cooperation. The Polish Parliament lays great store by the friendship between Poland and China and is ready to help expand bilateral cooperation, he said. The marshal wished China new successes in its economic structural reform.

Ye Fei, vice-chairman of China's National People's Congress Standing Committee, attended the meeting.

Exchanges Views With Wu Xueqian

OW080940 Beijing XINHUA in English 0805 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met a Polish parliamentary delegation led by Marshal Roman Malinowski here today. They exchanged views on the expansion of bilateral relations and other issues.

Marshal Gives Return Banquet

OW081354 Beijing XINHUA in English 1349 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Roman Malinowski, marshal of the Polish Parliament, gave a return banquet here this evening. Vice-Chairman Ye Fei of China's National People's Congress Standing Committee attended the banquet. In his toast, Malinowski said that the meetings of his delegation with Chinese leaders showed the two countries shared common ideals and willingness to work for world peace and security. He expressed the hope that the two countries would strengthen their friendship and mutually beneficial cooperation in various areas in the building of socialism. The Polish Parliament delegation, led by Malinowski, will leave for other parts of China tomorrow.

Peng Zhen Meets Delegation

OW091230 Beijing XINHUA in English 1159 GMT 9 Jun 86

[Text] Xian, June 9 (XINHUA) -- Peng Zhen, chairman of China's National People's Congress Standing Committee, said here today that the relationship between China and Poland is that of comrades and friends. Peng said this at a meeting with a Polish parliamentary delegation led by its marshal, Roman Malinowski, here today.

Peng said that the exchange of visits by delegations from the Chinese and Polish parliaments is a result of the development of relations between the two countries. He expressed the belief that the visit of the Polish delegation will do much to promote Sino-Polish relations.

Briefing the visitors on China's economic restructuring, Peng said that reform is a demand of the development of history. Both China and Poland need reforms, the goal of which is to develop the productive forces. The necessity of suiting the superstructure to the development of the productive forces is a basic Marxist viewpoint. In light of China's experience since the founding of new China in 1949, great importance must be attached to strengthening the socialist legal system in the socialist modernization drive, he emphasized.

Malinowski said that Poland and China shared a common goal in their economic restructuring, i.e., to better develop and modernize their countries, and improve the material and cultural lives of their peoples. He said that he was pleased with the increasing contacts between the two parliaments, governments and peoples. He hoped that the comradely cooperation between the two Parliaments will help further relations between the two countries.

The Polish visitors arrived in this capital of Shaanxi Province from Beijing this morning. They visited the museum displaying excavated terracotta horses and warriors this afternoon and were welcomed at a banquet given by the Shaanxi Provincial People's Congress Standing Committee here this evening.

Visit Gezhouba Project

OW101432 Beijing XINHUA in English 1408 GMT 10 Jun 86

[Text] Yichang, June 10 (XINHUA) -- A visiting Polish parliamentary delegation, led by Marshal Roman Malinowski, inspected the Gezhouba Dam project on the Yangtze River in central China here today. The Polish visitors were taken to a sluicegate, a power plant and a shiplock. Malinowski praised the project and congratulated the workers there on their achievements. The deputy chief engineer of the Gezhouba engineering bureau, Chen Fuhou, briefed the visitors on the construction of the project.

Work on the project started in 1970. The first seven generating units, with a combined capacity of 965,000 kw, installed during the first phase of construction, went into operation in 1983. Another generating unit installed at the second phase of construction went into operation yesterday. A total of 21 generating units will be installed by the end of 1988.

The polish visitors arrived here this morning from Xian. They were welcomed at a luncheon given by the People's Congress Standing Committee of Hubei Province today.

GORBACHEV ATTENDS WARSAW PACT SUMMIT IN BUDAPEST

OW101440 Beijing XINHUA in English 1359 GMT 10 Jun 86

[Text] Budapest, June 10 (XINHUA) -- Leaders of the Warsaw seven-member Pact today opened their annual summit, which is expected to focus on East-West relations and step up a peace drive initiated by the Soviet Union.

Attending the two-day meeting is a high-level Soviet delegation led by party leader Mikhail Gorbachev, along with Soviet President Andrey Gromyko, Foreign Minister Eduard Shevardnadze and Defense Minister Sergey Sokolov. The summit brings together top leaders of Bulgaria, Czechoslovakia, Democratic Germany, Hungary, Poland, Romania and the Soviet Union.

Although no agenda has been released for the summit, observers say the Soviet Union will be looking for Warsaw Pact help to push its peace drive. It is likely that the new disarmament proposals will emerge from the meeting. Last year Warsaw pact leaders met in Sofia and proposed a freeze on the number of Soviet and U.S. conventional troops.

ARTICLE ASSESSES SITUATION IN POLAND

HK050313 Beijing BAN YUE TAN in Chinese No 9, 10 May 86 pp 59-60

[Article by Ma Yunliang: "The Situation in Poland Is Basically Stable"]

[Excerts] In July, 1980, strikes and demonstrations broke out all over Poland. And the strikes and demonstrations lasted for over a year. At the end of 1981, General Wojciech Jaruzelski announced the implementation of martial law in Poland, and the political situation in Poland caused world-wide concern. Now several years have passed, what is the present situation in Poland like?

After one and a half years of military control and over 2 years of recovery work, the situation in Poland has become basically stable. The year 1985 was an important year for Poland because in 1985, the country stood three severe tests, showing that the situation in Poland was basically stable.

The first test was the case of the murder of priest Fr. Jerzy Popieluszko which took place at the end of 1984. The second test was the price hikes. The third test was the National Assembly election.

The year 1985 was the last year in Poland's 3-year plan to stabilize its economy. According to reports, within the 3 years, Poland's national income increased by 14 percent while the planned increase rate was 10-12 percent; Poland's industrial output value increased by 16 percent while the planned increase rate was 14-16 percent; and the quota for crop cultivation was overfulfilled. However, the increase of production output of animal husbandry was 1 percent lower than the planned increase rate. In 1985, most of the items showed an increase, but the rate of increase of many items was lower than that of 1983 and 1984. In 1985, the Polish Government abolished oil, sugar and oatmeal rationing. Except for some industrial products, there was a bumper supply of a variety of goods on the market as compared with the situation in 1984 and 1983.

The success of the National Assembly election was considered by the Polish authorities as the symbol of "the end of the period of political conflict and a period of domestic recovery and stabilization" so that the Polish Government concentrated its efforts on the future and on the country's development. The newly elected premier, Zbigniew Messner, further pointed out: "Poland's future and political force will be decided by the realization of its economic tasks."

The new cabinet formed after the National Assembly election has made organizational preparations for the country's economic development. General Jaruzelski, who had been the Polish premier and first secretary of the Polish United Workers' Party before martial law was implemented, resigned from the post of defence minister and the post of premier. Professor of economics Messner became the country's premier. The two vice premiers remained in office and the three newly-appointed vice premiers are all economists whose average age is below 50.

The new Polish Government is facing a difficult task. Poland now lacks raw materials and suffers from low investment efficiency and inflation. Poland's export to the capitalist countries shows only a slow increase. Externally, Poland is under pressure from economic sanctions imposed by some countries and an external debt of U.S.$30 billion. This year, the Polish Government has decided that its most important task is to seek economic balance, improve management results, increase exports and rationally arrange employment.

In order to accomplish the above mentioned tasks and extricate itself from the economic crisis, the only way was to carry out economic reforms. At the beginning of 1982, the economic reform showed no immediate success because it was just started and there were a lot of subjective and objective difficulties. But the new government is determined to continue to make headway with the economic reform. However, in order to make the economic reform successful, the new government must continue to carry out social consultations, which is an important prerequisite for the success of the reform. This is because only when the political enthusiasm and productive enthusiasm of the people of the whole country are aroused can the reform bring its role into full play.

PRC, POLAND TO EXPAND CHEMICAL INDUSTRY TIES

OW080012 Beijing XINHUA in English 2350 GMT 7 Jun 86

[Text] Warsaw, June 7 (XINHUA) -- China and Poland will make efforts to increase cooperation in the chemical industry. This was stipulated by a memorandum on talks between Chinese Minister of Chemical Industry Qin Zhongda and his Polish counterpart Edward Grzywa.

Under the memorandum signed here today by the two sides at the end of Qin's visit to Poland, the two countries will develop the potential for further cooperation in the area. Qin, heading a Chinese chemical delegation, arrived here on May 31. During his visit, he held talks with Grzywda and met with Polish Vice Premier Wladyslaw Gwiazda. He is leaving here for home tomorrow.

PLA CHIEF YANG DEZHI MEETS ROMANIAN ARMY OFFICERS

OW081208 Beijing XINHUA in English 1156 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, met and feted here this evening a group of vacationing Romanian Army officers led by Ioan Geoana, commander of Civil Defense.

CHINESE ECONOMIC DELEGATION SIGNS MINUTES IN GDR

OW071257 Beijing XINHUA Domestic Service in Chinese 0711 GMT 7 Jun 86

[Text] Berlin, 6 Jun (XINHUA) -- Schurer, GDR deputy chairman of the Council of Ministers and chairman of the State Planning Commission, held cordial, sincere, and constructive talks with Lu Dong, China's minister in charge of the State Economic Commission here on 6 June. The two sides signed a summary of the talks after the meeting.

During the talks, Schurer and Lu Dong swapped experiences in socialist construction and enterprise management in their respective countries. Both agreed to accelerate ties and exchanges of information between China's State Economic Commission and Democratic Germany's State Planning Commission, and to seek new forms of economic and technological cooperation. They also reached an agreement on projects for upgrading the technological level of some of China's enterprises.

The Chinese economic delegation led by Lu Dong arrived here for a visit on 1 June at Schurer's invitation. During the visit, Stoph, chairman of the Council of Ministers, met with Lu Dong, while Rauchfuss, deputy chairman of the Council of Ministers, and Wyschofsky, minister for Chemical Industry and the German chairman of the GDR-CHINA Committee for Economic, Trade, and Scientific and Technological Cooperation, held comprehensive talks with Lu Dong.

Ma Xusheng, Chinese ambassador to Democratic Germany, was present on the above occasions and attended the ceremony for signing the summary of the talks. The Chinese economic delegation will leave here for Czechoslovakia on 7 June.

CSSR LEADER RECEIVES VISITING CHINESE MINISTER

OW100056 Beijing XINHUA in English 0040 GMT 10 Jun 86

[Text] Prague, June 9 (XINHUA) -- Czechoslovak Premier Lubomir Strougal today received Lu Dong, Chinese minister in charge of the State Economic Commission who is heading a Chinese economic delegation on a visit here. During the meeting, both sides expressed the desire to further promote cooperation between the two countries in the fields of economy and technology. Lu and his delegation arrived here on June 7.

WAN SHAOFEN LEAVES FOR YUGOSLAVIA, ROMANIA

OW100219 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 8 Jun 86

[Text] Invited by the CY [League of Communists of Yugoslavia] Central Committee and the RCP [Romanian Communist Party] Central Committee and appointed by the CPC Central Committee, a CPC workers delegation, headed by Wan Shaofen, member of the CPC Central Committee, NPC deputy, and secretary of the Jiangxi Provincial CPC Committee, will soon leave for Yugoslavia and Romania for a friendly visit. The delegation, consisting of five members from our province, left Nanchang by plane for Beijing this afternoon.

Seeing the delegation off at the airport were leading comrades of the party, government, and army organizations in the province, including Liu Fangren, Ni Xiance, Jiang Zhuping, Wang Baotian, (Lu Xiuzhen), and Wang Guande, as well as responsible comrades of the general office of the provincial party committee, the provincial foreign affairs office, and Nanchang City.

LIAOWANG ON NEW PRIME MINISTER OF YUGOSLAVIA

HK090958 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 22, 2 Jun 86 pp 27-28

[Article by Xu Kunming: "Mikulic, Newly Appointed Yugoslav Prime Minister"]

[Excerpts] On 16 May, applause echoed for a long time through the Federal Assembly Hall in Belgrade, capital of Yugoslavia, congratulating Branko Mikulic on his appointment as president of the Federal Executive Council. Mikulic has replaced Milka Planinc, who concluded his tenure of office as prime minister on that day. With a 4-year tenure of office, Mikulic is the eighth prime minister since the liberation of Yugoslavia.

Now 58, Mikulic is a Croatian. In his 40-odd-year revolutionary career, he has undergone the test of war and received a higher education. He has been promoted to the central authorities from the grass-roots level. Astute, talented, and farsighted, he has made remarkable achievements in his official career, can take the overall situation into account, and is an activist in state affairs who enjoys the trust of the masses and whom President Tito thought highly of.

It was not unexpected that Mikulic should enjoy nationwide support. Born in the (Pohei) mountainous areas in June 1928, he took part in the antifascist people's liberation war at the age of 15. As he did well in the struggle against the enemy, he was admitted into the youth league the following year. He joined the communist party in 1945.

After liberation, he was secretary of the county youth league committee in his native place and was subsequently appointed organizational secretary of the county party committee. He actively mobilized the masses to rebuilt their native place on the ruins left over by the war. Afterward, he was appointed secretary of the party committee of Zenica County, where he made his contributions to building Yugoslavia's first steel industrial base.

Mikulic has been appointed president of the Federal Executive Council at a time when Yugoslavia is in economic difficulties. After he was nominated as a candidate for prime minister, he pointed out on several occasions that the present economic difficulties were very serious and that the government should first solve serious problems such as stagnation in production, difficulties in exports, and inflation. Being an optimist, Mikulic is of this opinion: Yugoslavia is rich in natural resources and has great potential in production, a solid foundation in science and technology, and good staff and workers. So long as all the people are united and the initiative of cadres and the masses is brought into full play, it is possible to overcome the difficulties and to bring the economy back to the road of rapid and coordinated development.

To tackle the arduous tasks confronting the new government, Mikulic stressed that it was necessary to form a united leading body and to select for the new government excellent cadres who concern themselves with the overall interests of Yugoslavia. He pointed out: Members of the federal government should give priority to the overall interests of Yugoslavia and implement, with cooperative spirit, the policies which have been formulated. They should not act according to the instructions and orders of republics or autonomous provinces. He added that he would boldly use talented cadres who have professional skills.

From the namelist of the new government members issued recently, we know that of the 31 members, only 7 are high-level government members and that the rest are new members. Of the new members, 10 were selected from enterprises or institutions. The average age of the new government members is 51. All of them have acquired a higher education. One of them is an academician of the Institute of Science, 4 are university professors, 10 are holders of doctor's degrees, and 3 are holders of master's degrees. It seems that this is a highly trained leading body.

In his administrative program, Mikulic points out that the new government will pursue a foreign policy of nonalignment and will strive to stop the arms race, to preserve world peace, to safeguard the country' sovereignty, and to support national liberation movements. Domestically, the new government will continue to implement the general principle of strengthening national unity, safeguarding the country's unification, and developing socialist autonomy. He stressed the necessity for implementing the "long-term program for economic stability." He added that a dogmatic attitude should not be taken in dealing with his previous documents and decisions but that these documents and decisions should be perfected in the course of social practice.

Mikulic pays close attention to developing friendly cooperation with China. As early as in July 1978, he led a Yugoslav party delegation to China in the capacity of a member of the Presidium of the League of Communists of Yugoslavia and held friendly talks with Chinese leaders. In Yugoslavia, Mikulic has met Chinese delegations on several occasions. He has made important contributions to the development of friendly cooperation between Yugoslav and Chinese parties, between the two countries, and between their peoples.

ZHAO ZIYANG ON DEVELOPMENT OF MOUNTAINOUS AREAS

HK100939 Beijing JINGJIXUE ZHOUBAO in Chinese 1 Jun 86 p 1

[Report by Yang Hui: "Zhao Ziyang Inspects Hubei's Exi Autonomous Prefecture, Speaks About Commodity Economy Development in Mountainous Areas"]

[Text] Premier Zhao Ziyang recently inspected Hubei's Exi Tujia Nationality Autonomous Prefecture. After listening to a report delivered by a responsible person of the autonomous prefecture, Premier Zhao pointed out: The road of reform taken by the mountainous areas is getting wider. In order to develop the commodity econppmy, we must also solve three problems: transportation, circulation, and qualified personnel.

On the issues of developing the resources of mountainous areas, Premier Zhao said: You must establish the basic concept that you cannot process all of your resources. What road should you take then? It should be the road of jointly processing resources with large cities on the coast, including Wuhan and Shashi, and equally sharing the profits. You should discuss what kinds of raw materials you can process or what end products you can make, and what kinds of materials should be processed through cooperation with other areas. Of course, you can carry out rough machining, but you should integrate your advantages with those of other areas rather than integrating your advantages with your shortcomings. Whenever advantages meet shortcomings, it seems like two minus two and the result is zero, or the advantages are offset. Places such as yours should pay attention to this issue. This is a very important guiding ideology for mountainous areas, where access is rather difficult and natural resources are rich.

On developing the commodity economy in mountainous areas, Premier Zhao pointed out in his speech: Proceeding from the commodity economy, development should be independent of man's will. As we now stress transportation and circulation, the mountainous areas should spend great efforts on these areas. Without good transportation the mountainous areas can do nothing about the commodity economy. Moreover, there is the issue of qualified personnel. I have stressed these three issues right from the start, namely transportation, circulation, and qualified personnel. Circulation is the major question when we invigorate the mountainous areas. We should jointly run commerce, concentrating on districts or townships.

Premier Zhao said: The road of reform taken by the mountainous areas is also getting wider. With the implementation of the contracted responsibility system on a household basis, the mountainous areas can give full play to natural resources. But the areas have just started reform of the circulation sector. They still lack experience in this respect and still have not given play to the sector's advantages.

RENMIN RIBAO URGES LEARNING FROM REFORMER

HK101303 Beijing RENMIN RIBAO in Chinese 7 Jun 86 p 1

[Report by Zhai Qiyun: "Beijing's Garment Industry Launches Activities To Learn From Zhang Jieshi"]

[Text] The advanced deeds of Zhang Jieshi, a reformer who performed his official duties honestly, (as reported in the BEIJING RIBAO report reprinted by this paper on 15 March) moved millions of people.

This reporter recently visited the Beijing Municipal Garment Industry Company and heard leading cadres of many units say that they will follow Zhang Jieshi's example in honestly performing his official duties as well as carrying out the reform and blazing new trails. They will also take the lead in honestly performing their official duties in carrying out the reform.

In his lifetime, Zhang Shijie was the manager of the Beijing Great Wall Raincoat Factory. He bravely carried out the reform, scored prominent achievements, and was strict with himself, and thus moved people by his deeds. On 22 March this year, he unfortunately died from an illness. The next day, the garment industry company called on people throughout the company to learn from Zhang Jieshi. Over the past 2 months, the party committee of the company and all the units under it have arranged diverse forms of activity to learn from him. The company party committee used Zhang as an example in drawing up measures to intensify its own revolutionization. The trade unions and CYL organizations of some factories launched an emulation drive among their workers and youths in order to learn from Zhang.

All the enterprises under the garment industry company have the common determination to learn from Zhang Jieshi and steadfastly follow the path of reform. The Huali Shirt Company has learned from the Great Wall Raincoat Factory experience over the past 2 years and thus brought about tremendous changes for itself. Its factory director, Li Zhaonan, said that in the future the masses of people will regard Zhang Jieshi as a yardstick for evaluating factory leaders. This is a stimulus for and pressure on factory leaders. They had better guide the masses in comparing them with Zhang in their presence rather than letting the masses compared them with him behind their back. During party rectification, they have to rouse the masses of people inside and outside the party to criticize them and find out where they fall short. On the basis of collecting opinions and criticism from all the people, they should formulate measures to continue to satisfactorily carry out reform in their enterprises.

The Great Wall Raincoat Factory where Zhang Jieshi worked is determined to do its work in a down-to-the-earth manner and adhere to the reform path opened up by Zhang. It has roused about 1,000 staff members and workers to carry out a socialist emulation drive and put forward revolutionization proposals. In the short period of more than 1 month, 425 people have put forward over 900 revolutionization propoals.

Commentator's Article

HK101305 Beijing RENMIN RIBAO in Chinese 7 Jun 86 p 1

[Commentator's article: "Manifestation of the Spirit of the Age -- Learn From Comrade Zhang Jieshi"]

[Text] What makes the Great Wall Raincoat Factory well-known at home and abroad is its quality, name-brand products that are well received by consumers. The deeds of Comrade Zhang Jieshi, former manager of the Great Wall Raincoat Company, are being told by more and more people and inspiring people with great enthusiasm to carry out the reform and the four modernizations program.

During his lifetime, Zhang Jieshi was a well-known reform pacesetter in Bejing. As far back as the autumn of 1981, he was elected director of Beijing Garment Factory No 3 and led the workers there to follow the path of reform.

After more than 4 years of twists and turns, this cotton garment factory that was once on the verge of collapse has become a first-grade new-type enterprise admired by all people in the nation. Zhang Jieshi's enthusiasm in carrying out the reform made such a deep impression on people that they thought: "He gives the impression that he will never be satisfied unless he forges ahead continuously without ever taking a rest." On the other hand, everybody praises him, because in carrying out the reform, he never exploited the power in his hands to pursue private ends and he always maintained the pure qualities of a CPC member, was strict with himself, performed his official duties honestly, and set examples by his own deeds. As a manager of our country's biggest raincoat company, which turns out 1.68 million raincoats a year, he had no raincoat himself. This moved many people to tears!

Zhang Jieshi had many valuable qualities worth learning from. What among them is the most prominent and most worth learning from? Comrade Zhao Ziyang pointed out: "Comrade Zhang Jieshi's prominent strong points are his perseverence in carrying out reform and blazing new trails and his honest work style in serving the people wholeheartedly. This also embodies the spirit of our times." Zhang Jieshi deserved this evaluation.

The 3d Plenary Session of the 11th CPC Central Committee has ushered in a new period of vigorous development in our motherland. Taking the path of reform and building socialism with Chinese characteristics are the major tasks of our times. The new period and new tasks are calling on reform fighters to be brave in breaking old conventions and opening up new paths. Correspondingly, a large number of reformers have emerged and displayed their talents. They have insight and courage, are brave in exploring the way to implement the party's line, principles, and policies, and opening up ways to forge ahead, and have made valuable contributions. In addition, they have carried on and developed our party's fine tradition and work style, resisted corruption, kept themselves always incorruptible, carried out hard struggle, worked selflessly, and been the first to bear hardships and the last to enjoy comforts. By so doing they have won the masses of people's confidence and support. What they have done conforms to people's interests and the requirements of the development of history and clearly reflects the spirit of our times. Zhang Jieshi was precisely a prominent representative of the generation of reformers who have grown up under the education and training of the party. He was a pioneer of reform and a model of party spirit. He shone with the courage to blaze new trails and with uncorruptedness and honestly in performing his official duties.

Under the new situation of reform, opening up, and enlivening, our party members and cadres are required to closely combine doing a good job in reform and rectifying their work style. Most of our comrades have strived to do so, but there are some comrades who have failed to pay attention to doing so. Some of our comrades have observed law and discipline and committed no graft or embezzlement. This is good. A few of them, though, are overcautious, have stuck to old ways, and are not willing to carry out reform or even doubt the reform. Others of our comrades have the enthusiasm and courage to carry out reform, but they neglect "small matters," pay no attention to improving their work methods, and are divorced from the masses of people. Very obviously, neither tendency conforms to the spirit of our times or to the demand of our party's and people's undertakings. Even less do we allow the malpractice of a small number people who have pursued private gains in the name of the reform or even violated law and discipline.

Over the past few years, people have acquired a false impression that a man who is determined to carry out reform must wear Western-style suits, be fond of the good life, speak arrogantly, and be free with money. Only by so doing can he conform to the trend of the times. This is a wrong idea. Publicizing and learning from Zhang and Jieshi's deeds helps correct this wrong idea. We have never favored the practice of finding fault in minor things in a person's lifestyle related to his food, clothing, and so on. This is true even for Zhang Jieshi. No harm would have been done to his image if he had had a raincoat during his lifetime. We oppose the practice of making unwarranted charges against a reformer's shortcomings and errors, exaggerating them at will, and thus making reformers feel depressed. However, those who are determined to devote themselves to the cause of reform and the four modernizations had better pay attention to their lifestyle in order to reduce the resistance to the reform. An indispensable reason why Zhang Jieshi won widespread support from the masses of people in carrying out reform drastically was because he was strict with himself, paid attention to studying and respecting the masses feelings, and was never divorced from the masses of people. We do not hold that we should copy all of Zhang Jieshi's actual methods, but all times it is necessary to advocate hard struggle, a simple lifestyle, and honesty in performing one's official duties. This is a very valuable experience for reformers.

This year is the first year for the implementation of the Seventh 5-Year Plan. We must continue to steadfastly put reform first and satisfactorily and conscientiously do the work to consolidate, digest, replenish, and improve various reforms. This includes the work of summing up and learning from the reform experience gained and lessons drawn from the reform in the past few years. Zhang Jieshi provided our vast number of enterprise leaders with an example to correctly treat the reform, lead the reform, and continuously push the reform forward. Deepening the activities to learn from Zhang Jieshi will certainly create even more ideological and cadre conditions for our reform in the future.

"Talented people emerge in our country in every era." Our reform provides talented people with even greater room to display their talents. In the 1960's, a fine cadre such as county party committee secretary Jiao Yulu emerged and greatly educated and inspired our vast number of party members and cadres. Today, with the characteristics of the good cadres in the 1980's, Zhang Jieshi has provided a good example not only for enterprise directors (managers), but for all leading cadres and CPC members and for all those who have made up their minds to carry out the reform and reinvigorate China. Zhang Jieshi is dead, but millions of people like him will emerge!

PAPER ON FREEDOM, DEMOCRACY IN ACADEMIC WORK

HK091520 Shanghai SHIJIE JINGJI DAOBAO in Chinese 26 May 86 p 14

[Article by Feng Lanrui: "Academic Work Cannot Flourish Without Freedom and Democracy"]

[Text] For some time now, opinions have differed on whether it is better to propose academic freedom or academic democracy in the field of academic work. In my opinion, both are necessary. To make socialist academic work flourish, neither academic freedom nor academic democracy is dispensable.

Freedom refers to academic activities, and democracy to leadership in academic work. Freedom is needed in academic activities, and democracy in the leadership in academic work.

As in the political field, where democracy is the guarantee for freedom, academic democracy is the guarantee for academic freedom. Where there is no academic democracy, there is no academic freedom. Vice versa, without genuine academic freedom, what is called academic democracy must be fraudulent. In the new historical stage of China's socialist modernization, the party's work focus is shifted to the track of socialist construction. There needs to be a new situation in academic development to suit this situation. To create such a situation, it is imperative to implement the principle of allowing a hundred schools of thought to contend, to bring forward academic democracy, and to develop academic freedom.

The Principle of a Lower Level Being Subordinate to a Higher Level Does Not Work in the Academic Field

In implementing the principle of allowing a hundred schools of thought to contend, the most important thing for leading members is advancing academic democracy.

To study the new conditions and to solve with Marxist stands, viewpoints, and approaches, the new problems emerging in the practice of socialist construction and the structural reform as well as those new conditions and new problems emerging in contemporary capitalist development is the task assigned to contemporary Marxists. In order to take up this historical task, an environment is needed in which free research and discussion is possible, and which is favorable to allowing a hundred schools of thought to contend. This is in addition to arduous work and untiring efforts in the exploration of truth. Such a relaxed environment (by no means "toleration") primarily needs the ensurance of academic democracy.

Without academic democracy, there would be no academic freedom, and neither would there be the contention of a hundred schools of thought. This is a law which has been proven by the historical experiences of China over the past 37 years. Between the 1950's and the 1960's, we witnessed the failure of academic criticism on many occasions; for example, the criticism of the movie "The Life of Wu Xun," the criticism of Ma Yanchu's theory on population, and the criticism of Sun Yefang's economic thought. The guiding ideas for these campaigns of criticism were "leftist" in nature and their methods nondemocratic; hence, they all failed without exception. During the Cultural Revolution, cultural autocracy took the place of socialist democracy, which led to a stalemate in the entire field of science.

Facts have shown that our historical experiences have not come from opposing socialist in the name of science, but from violating academic democracy, confusing academic activities with ideology and politics, and going in for class struggle in academic issues. The result was the grave impedance of academic development.

The regret is that we have not drawn profound lessons from such bitter experiences. In the 7 years since the 3d Plenary Session of the 11th CPC Central Committee, it has not been rare for academic democracy to be neglected. The practice of stipulating forbidden areas, arbitrarily criticizing by name, labelling, using big sticks, and even organizing campaigns of criticism continues to take place. Moreover, these have been carried out in new guises. Recently it has been said that there is even a distinction between a higher and a lower layer of spiritual pollution. Such "blazing of new trails" is harmful in practical terms to the flourishing of academic activities.

The graveness of the situation is that such criticism by name is often based on distorted "information," with some issues escalated to the level of political problems, while others are extended and expanded and forced upon academic circles as ideological trends and tendencies. The failure in seeking truth from facts has helped the lack of democracy in academic activities to grow.

Academic leadership must follow the principle of democracy and adopt a democratic approach. The right or wrong in academic issues and the disputes on theoretical viewpoints should be judged by relying on the in-depth research and free discussion of the masses in academic circles and should not be determined by the judgment of some leading members or authorities. If a conclusion is difficult to come by in one discussion, the problem may undergo repeated discussions and research. Engels said: "The freer people are in their judgemet of a certain issue, the greater the inevitability of the contents of such a judgment." No one should restrict the freedom of academic discussion and the judgment of academic issues.

Academic democracy is different from the government system or the state system, and democratic centralism cannot be implemented in the academic field. The principle of the lower level being subordinate to the higher level is not suitable here because truth is not always in the hands of the higher-level. Neither is the principle of the minority being subordinate to the majority suitable, because new ideas and new concepts in the academic field will be accepted by the majority only after going through some processes, and some will have their correctness tested through practice before they are accepted. If some votes are cast prior to this, does it not mean that truth is suppressed? The art of leadership also lies in handling affairs by starting from the characteristics of academic work and the scholars, summing up the history of the past 37 years in earnest, discovering and mastering the laws governing academic development, and acting according to objective laws. It is necessary to adopt democratic approaches, to rely on the wisdom of the masses in the academic circles, and to allow everybody to join in the discussions regarding the experiences and lessons, right or wrong, and success or failure in academic work in history. This is also an important aspect of advancing academic democracy.

Creative Activities in Academic Research Are Possible Only in a Free Environment

In order to implement the principle of allowing a hundred schools of though to contend, it is necessary to develop freedom of academic research and academic discussion.

In academic research and discussion, there needs to be open talk and a certain site for such activities. Namely, there needs to be freedom of speech, press, assembly, and association. The Constitution explicitly ensures such freedoms. Article 35 of the PRC Constitution stipulates that "citizens enjoy freedom of speech, the press, assembly, association, procession, and demonstration," and Article 37 gives the more explicit stipulation that "citizens enjoy the freedom to engage in scientific research, creation in literature and art, and other cultural activities." However, some people are afraid of and disgusted with freedom. To them, it seems that the mere mention of freedom means "going in for bourgeois liberalization." As in universally known, "bourgeois liberalization" belongs to the realm of politics, which has specific implications in China, namely, taking the capitalist road. It is an obvious error to place freedom on a par with bourgeois liberalization.

In the eyes of Marxists, freedom has always been included in the loftiest ideals of mankind. In human society, "every progress in culture is making a step forward to freedom." (Engels) Communism is a "combined body of free men"; "for the first time in history, genuine freedom of mankind can be spoken of under such a system." Freedom is the highest state in the pursuit of cognition. The task for scientific research is to master objective laws, going from the realm of inevitability to the realm of freedom.

The reason why freedom is needed in academic activities is that only in a free environment will it be possible for people to go in for such creative labor as scientific research and for them to genuinely make bold explorations and to score accomplishments.

Academic freedom based on the four cardinal principles, within the realm of the Constitution and law, should not be restricted. There should not be any forbidden areas in academic activities. Anything that belongs to science can be under research and any question can be under discussion. Academic activities themselves should not be restricted. Any citizen may go in for research freely and study whatever issue as he wishes, and no intervention should be imposed on him. The development of an academic school should not be restricted either, and all schools of thought may freely air their own views and participate in free discussions.

To genuinely achieve academic freedom and to implement the principle of allowing a hundred schools of thought to contend, it is also necessary to promote an attitude of equality in discussions. Opinions different from others or regarded as erroneous may be criticized, but the target may also counter-criticize. Everyone is on equal footing and has the freedom to air his own views. The practice of criticizing others, yet forbidding counter-criticism and restricting others' freedom, is not acceptable under the Constitution.

Academic freedom is the basic right of every citizen, which need not be begged for by anyone. Academic freedom will not be restricted so long as it is within the realm of the Constitution and law. Academic freedom should not be restricted by anybody or oneself, nor should anybody restrict the academic freedom of other people. No leading member should restrict the academic freedom of his subordinates; neither should his subordinates restrict his academic freedom. It is significant that sometimes the overdue "respect" shown some leading members may also become a kind of restriction which restricts the academic freedom of both the leadership and one's subordinates. If "every sentence is truth," does the leading member dare air his view at ease? Will the masses dare air different views? On academic questions, leading members must become one of the masses, participate in discussions on equal footing, and play an exemplary role in implementing academic freedom.

Behavior Impeding the Freedom of Academic Activities Must Be Sanctioned

In order to implement the principle of allowing a hundred schools of thought to contend, to bring forward academic democracy, and to develop academic freedom, corresponding laws are needed.

For a long time, the rule by man has been implemented in China's academic circles. Under the condition of rule by man, academic issues are often dependent on the opinions of leading members, and the promotion or removal of cadres on the personal preference of leading members.

Rule by man is the fountainhead of some abnormal and unhealthy phenomena in academic circles. It has, to a certain degree, injured academic democracy and academic freedom and impeded the flourishing and development of academic activities during the new historical stage.

Only by substituting the rule by law for the rule of man, drawing up necessary laws so that everybody has a law to abide by, and affixing responsibility to those who have violated the law will it be possible to ensure academic democracy and academic freedom. Those behaviors violating academic democracy and impeding academic freedom will not be sanctioned by law, allowing academic activities to flourish and become favorable to the health development of academic circles.

As mentioned above, freedom of academic research and freedom of speech, the press, assembly, and association have all been stipulated in the Constitution. However, although the Constitution is the one major law of the state, it cannot include every specific right of the citizen's academic activities in detail; therefore, various specific laws should be drawn up as supplements. For example, there should be news laws, press laws, copyright laws, laws on invention, and laws on social (academic) organizations. These laws may stipulate the rights of the citizen and measures for implementation, as well as clauses concerning the restrictions and sanction on those behaviors violating the law. These will be carried out by the state organs. With these specific laws, people will have something to abide by in carrying out academic activities.

Observing the law and discipline is the right and obligation of every citizen. No one, whether he is a leading member or a subordinate, should violate the law and discipline. Everyone is equal before the law. Only then will the ensurance of academic democracy and academic freedom be possible.

The significance of rule by law in the academic field also lies in its being favorable to improving the administration of academic undertakings. The mere existence of a Constitution without a series of specific laws does not help matters much, and it will be rather difficult to do a good job in the administration of academic undertakings without a law on academic work. Under such circumstances, problems are solved only by relying on certain policies and resolutions, or on rules and regulations. However, policies are often very flexible or not quite stable, and the difference between being lenient and strict does exist. In addition, the drawing up of resolutions, rules, and regulations is often based on the needs of some specific problems in some specific periods of time, and a specific policy displaying such needs cannot become the code of behavior to be universally followed by all members of society. The laws drawn up by the state are the expression of more mature policies. They are explicit, steady, and authoratative, and both their forms and contents are rather standardized and comparatively easier to carry out.

The implementation of the rule by law in the academic field aims to ensure academic democracy and academic freedom. It will help improve the state's leadership in academic work and is the necessary condition for implementing the principle of allowing a hundred schools of thought to contend, promoting the progress of science, and creating a new situation in academic development.

JINGJI RIBAO ON NEED FOR TENACITY IN REFORM

HK101346 Beijing JINGJI RIBAO in Chinese 5 Jun 86 p 1

[Commentator's article: "Tenacious Efforts Are Needed in Reform"]

[Text] The growing volume of appeals by directors and managers of enterprises of late has roused the attention of all sides. They have reflected the fact that the decision-making power of the enterprises has not been fully implemented, that a conventional measure of direct control is still binding the freedom of the enterprises, that the various relations within the enterprises are still not harmonious, and that the demarcation line between proper economic activities and unhealthy tendencies is not distinct enough, and that there are always so many human obstructions built up by the force of habit... complicated contradictions and multiple collisions have consumed much of their efforts. But once mistakes emerge in reform, or if they [the managers] commit some common faults, it brings about all kinds of censure and gossip, and some of them were even removed from office. As a result they feel wronged and the spirit of reform and blazing new trails of some of these directors and managers diminishes. Directors and managers are the very backbone of enterprises, and only when their mental state is healthy, will it be possible for the enterprise to be invigorated, and the reform to score successes. Therefore, we should like to air our views for your reference.

Our views may boil down to one sentence: Tenacious efforts are needed in reform.

The tenacious efforts referred to here chiefly means combining the passion for reform with a scientific spirit. We must have a full understanding of not only the necessity of reform, but also its complexity, arduousness, and protracted nature, and overcome the impetuosity which is relatively common at present.

People have a strong passion for reforms today, those vanguards of reforms in particular, and they always hope that those things impeding reforms can be eliminated as quickly as possible, and a tentative idea for reform can be smoothly realized. Although many of them understand that all contradictions and conflicts in the present work of reform basically originated from the condition of the coexistence of both the new and old economic structures, they have thought very little of just how long this condition will last and whether it will soon be over. And others believe that so long as they act as some heroes in works of literature and art, who have "a new broom that sweeps clean," final victory is theirs. But they never expected that things could be so difficult. Hence, the passion cools, when they have suffered some setbacks, and the "theory of quick success" is soon turned into a "theory of pessimism."

Here, we have a need to review a passage in Premier Zhao Ziyang's "Report on the Seventh 5-Year Plan": "In our current reform, the elimination of the old structure and building of the new can only be gradual and will take time to complete. Clearly, reform will be a step-by-step process." Premier Zhao has reminded us: Since the reform process is inevitably restricted by the given economic and social conditions and by a shortage of trained personnel, it will be impossible to fully realize all aspects of reform within the period of the Seventh 5-Year Plan. What we hope to achieve during these 5 years is to develop a general framework for a new economic structure.

In other words, even after the period of the Seventh 5-Year Plan, while considerable change will take place in some measure between the new and old economic structures, the old structure will not be totally eliminated. However, reform is China's second revolution; with the change in the economic base, changes will also take place in the superstructure including traditional concepts, habits, and the legal system, but the process of gradually suiting such changes to the people's ideology is inevitable, when different understandings emerge concerning problems arising in reform between relations representing different interests. All this has determined the inevitability of the arduousness, complexity and protracted nature of reform, when in its entire course, contradictions will not stop and collisions will continuously emerge. However, no matter how difficult and tortuous the road of reform is, the essence of the matter lies in the fact that China's economy will develop rapidly, and reform will gradually push forward. This is the dominant aspect, and collisions, the minor aspect. If we fail to see this, we will lose our courage to make progress and our tenacity to persist in reform.

Tenacity is based on earnest theoretical thinking, and at the same time, the specific action in practice. Regarding those directors and managers working on the forefront of reform, they must be mentally prepared at all times to experience setbacks, to come under attack, and even to be wronged. When such things happen, they should not be discouraged and disheartened; they must continue to maintain the dashing spirit of reformers and sum up experiences and lessons, while persisting in all that is favorable to reform. To achieve this, it is necessary to continue studying, to have a good grasp of the theoretical weapons, as well as the weapons of the law and management. Otherwise, one will fail to be bold and assured, not knowing how to answer and analyze some questions when one comes under certain censure and attack, lacking in the necessary ability of self-defense and "counter-attack," and as a result the so-called tenacious efforts will easily be lost in a complicated situation.

The requirement for tenacious efforts in reform is not only placed on directors or managers, but every one of us, leading members at all levels in particular. In fact, in the torrents of reform, both leading members and the masses are reformers, and the difference lies only in their positions, power and responsibilities. The understanding, support, help and protection from leading organs at a higher level for directors and managers, who are bent on reform, are external conditions of crucial importance for the smooth progress of reform in enterprises. Mistakes should be allowed in reform; this is because nobody has experience in reform, including the leadership. If something does not work, one may retreat and find some other way for progress. The practice of opening up to the world may bring in some bourgeois rubbish, but things will be all right once such rubbish is eliminated. A handful of elements violating the law may emerge in the course of invigorating the domestic economy, but all we have to do is handle their cases based on the law. By no means should we have doubts about reform or give way to impatience or make ill-advised moves because some problems have cropped up. Nor should we require every reformer to be spotlessly perfect. The higher-ups of, and comrades around the directors and managers should all the more actively support those people who are bent on reform, and protect those reformers who have some shortcomings and mistakes.

Those actions which gravely violate the law and discipline should of course, be dealt with gravely, but leniency should be shown to common mistakes or faults. So long as those who are involved have corrected these mistakes in earnest, we should not seize on them, totally repudiating their accomplishments, not being satisfied until they are removed from office. We should particularly guard against fault-finding in reform and reformers because one's own conventional concepts have been negated or one's own personal interests have been injured. Today, we already have a "dominant invigorating climate" to ensure the all-round unfolding of reform, but we are still in great need of a "congenial climate on a narrower scale," in which there is understanding, leniency and help for reformers. Only then will it be possible to simultaneously create a good economic, and social environment for economic reform, so that a smoother path may be opened up for the progress of reform.

CHINA DAILY VIEWS REFORM OF POLITICAL STRUCTURE

HK101032 Beijing CHINA DAILY in English 9 Jun 86 p 4

[By Huang Qing]

[Text] Recent developments seem to indicate that both the central leadership of the Chinese Communist Party and social scientists have become increasingly aware that some reform of the present political structure is inevitable in working out a socialist system with Chinese characteristics.

Talking with New Zealand Prime Minister Davis Lange in Beijing in March, Deng Xiaoping pointed out that all-round economic reform would involve many other fields -- politics, education, science and so forth.

Premier Zhao Ziyang, in his report to the National People's Congress on the Seventh Five-Year Plan (1986-90), called on the nation to better understand, among other things, changes in the administrative functions of government departments.

The premier said that since business management would change from mainly direct to mainly indirect, departmental functions would also change accordingly.

He emphasized that government economic departments should no longer devote all their energy to assigning quotas, approving construction projects and allotting funds and materials. Instead, they should be concerned with overall planning policy, implementation, organization and co-operation, economic regulation, inspection and supervision and provision of services.

Hu Qili, a younger leader of the Communist Party, announced on May Day that reforms would be made in the political as well as economic and cultural structures to build a high level of democracy and civilization in socialist China.

Hu stressed that socialist democracy and a socialist legal system must be promoted to ensure that the leadership of the government and the party would be able to meet the needs of socialist modernization.

Hu said on another occasion that current reforms would inevitably "shake" the political, economic and social foundations of Chinese life. They would bring unprecedented changes in people's lifestyles and ways of thinking.

PEOPLE'S DAILY said in a commentary that eliminating roadblocks in a way of economic reform, such as bureaucratism and the abuse of power for private gain, depended on reform of the political structure. It reiterated that "there will be no socialist modernization without socialist democracy."

Economic reform has proved on the one hand that many previous ideas about what a socialist society is should be updated, and on the other hand that the old style of administration, if not reformed correspondingly will do more harm than good.

Hu Qili said that when many problems arose as the new economic structure evolved, old ways of control were sometimes applied, keeping alive some remnants of the old, economic strucure.

A WORKERS' DAILY article observed that reforms proclaimed in the past two years, such as breaking down barriers between businesses and delegating more decisionmaking power to firms, had actually become effective to only a limited extent. Now they must be rigorously enforced.

The article also said the economic reforms would be short-lived if some reform of the political structure was not carried out quickly.

A recent symposium in Beijing on political structure brought together more than 100 young social scientists. It was co-sponsored by the journals POLITICAL SCIENCE RESEARCH and SOCIAL SCIENCE, which are both affiliated with the Chinese Academy of Social Sciences.

The symposium focused on:

-- Analysing the challenge that the economic reform presents to the politiccal structure;

-- Shortcomings in the present political structure;

-- Guidelines for the political structural reform;

-- Evaluation of policies adopted in recent years concerning political reform;

-- Discussion of where reform should begin;

-- Forecasting China's future political structure.

All agreed that the present drawbacks were insufficient participation by citizens in political activities and decisionmaking and insufficient checks and balances within the structure of state power.

Some noted that legislative and judicial supervision of administration needed to be strengthened.

Some recalled that Marx and Lenin had both said that leaders of proletarian power might become corrupted into masters instead of servants of their claws and that under such circumstances workers might often be betrayed. So if a fully developed socialist democratic system was still not fully operative, checks and balances were the best protection against errors in political leadership.

There are many other signs of change on the horizon. In political science research, comprehensive studies are planned on such basic concepts as the state, the government and the party. Currently, experiments are under way in the adjustment of government functions in a few medium sized cities such as Changzhou and Weifang.

This year's No 1 Document of the Communist Party stipulates that the major task for administrative staff in rural areas "is to serve production and to serve farmers."

In Tianjin, more citizens are writing suggestions and offering advice to the municipal government, showing an increasing interest in participation in government affairs. Among the letters last year, 70 percent were about city planning and management, education and hygiene. To prepare future leaders, a number of competent young people have been promoted to leading positions at various levels in the last two years. The Chinese Academy of Sciences promotes personnel on the basis of established procedure for analysing ability.

Dongwan County, Guangdong Province, is adjusting the wages of township administrative staff according to their work records. An academic journal, Jianghan Tribune, proposes a system that would make citizens' supervision of officials more strict.

BEIJING CATHOLICS PRAY FOR WORLD PEACE

OW080950 Beijing XINHUA in English 0932 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- More than 4,000 Beijing Catholics today prayed for world peace in Pehtang Catholic Cathedral, the city's largest Catholic Cathedral.

The prayer, jointly sponsored by the National Administrative Commission of the Chinese Catholic Church, the Chinese Catholic Bishops College, the Beijing Administrative Commission of the Chinese Catholic Church, and the Beijing Patriotic Catholic Association, was part of a national religious program to mark the "Year of Peace" of 1986 designated by the United Nations. At a session of the National Committee of the Chinese People's Political Consultative Conference in March, all members from religious circles jointly proposed a "prayer for the peace" in June by all China's religious groups to mark the international "Year of Peace."

FANG YI, WANG ZHAOGUO MEET WANG ZHEN AT AIRPORT

OW102035 Beijing Domestic Service in Mandarin 1100 GMT 10 Jun 86

[Text] A delegation from the China Association for International Friendly Contacts wound up goodwill visits to Singapore and Thailand and returned to Beijing on 10 June. The delegation was led by Wang Zhen, vice chairman of the Advisory Commission of the CPC Central Committee and honorary president of the China Association for International Friendly Contacts. The delegation was met at the airport by Fang Yi, Wang Zhaoguo, and other responsible persons of the departments concerned.

CONSERVATIONISTS URGE ATTENTION TO SOIL EROSION

HK060445 Beijing RENMIN RIBAO in Chinese 4 Jun 86 p 2

[Report by Chen Jian: "First Congress of China Society for Water and Soil Conservation Urges Attention to Loss of Water and Soil"]

[Text] At the recently concluded first congress of the China Society for Water and Soil Conservation, many specialists, professors, and water and soil conservationists called on the whole society to show greater concern for the serious problems of soil erosion, silt in our rivers, exhaustion of land fertility and deterioration of the ecological environment.

Ours is a country with many mountains and few forests, and is also the country with the most serious soil erosion in the world. A survey in the early 1950's proved that 1.5 million square kilometers -- about one-sixth -- of our territory suffered from soil erosion. Over the past 30 and more years, through the hard struggle of the people all over our country, we have controlled the soil erosion in some of these areas, but owing to various subjective and objective causes such as the frequent political movements and the increasingly serious imbalance between population and natural resources, there are still two-thirds of these areas where we have failed to effectively control soil erosion. New areas of soil erosion are continuing to emerge. The specialists pointed out: Our survey statistics show that the water erosion is growing quicker than the progress of our work to control it.

The Huang He, the cradle of the Chinese nation, carried 1.6 billion metric tons of silt a year over the past few years, ranking the first in the world and accounting for about 50 percent of the total volume of silt carried by all the rivers in the world in a year. Long ago, people abroad said: "What flows in the Huang He is not silt but the blood of the Chinese nation." The Chang Jiang carries 500 million metric tons of silt a year, more than double that of 1958. It has already become one of the four rivers with the largest volumes of silt in the world. Problems of soil erosion and silt are also serious in the Hai He and Zhu Jiang valleys. Even in southern China where mountains are green and river water is clean, soil erosion is getting worse. In Fujian Province, the number of counties that suffer from soil erosion has risen from 22 to 43. In Jiangxi Province, the area of soil erosion accounted for 5.3 percent of the total area of land in 1953, but this percentage has risen to 24 percent now. The area of soil erosion reaches over 10,000 square kilometers in Jiangsu Province. In northwest China, where there has been long-standing soil erosion, land reclamation continues everywhere, but soil erosion does not improve despite the efforts to control it. Owing to the serious soil erosion, Shaanxi Province loses 100 million cubic meters of reservoir capacity a year. If this is allowed to develop unchecked, silt will wipe out all the province's reservoir capacity in 40 years or so. The extention of gullies alone causes Ningxia's Guyuan County to lose over 5,000 mu of farmland a year. In Qinghai Province 2 million mu of land becomes desert every year. Soil erosion cannot be ignored in eastern China either, including Shandong. Every year, water washes away 0.30 meters of soil on the surface of about 1 million mu of land in Shandong. The specialists said that we cannot live on the legacy of our forefathers and leave disasters to posterity. People abroad sounded the alarm long ago: There is only one earth. We should be clear that there is only one China!

We should cherish China, but we should not pit development against preservation. In fact, preservation is the foundation of development. Professor Guan Junwei, a well-known water conservationist, called on us, saying: If a country like ours, which suffers seriously from soil erosion and which has a large population and relatively poor production foundation and conditions, can rouse its entire community to show concern for water erosion, do a good job of water conservation, and establish a fine ecological environment while overcoming poverty and becoming rich, it will make a great contribution to world progress.

Commentator's Article

HK060501 Beijing RENMIN RIBAO in Chinese 4 Jun 86 p 2

[Commentator's article: "Another Alarm"]

[Text] Water and soil conservation is an issue vital to the safety of our country and the prosperity of our nation. The report published by this newspaper today entitled "First Congress of China Society of Water and Soil Conservation Urges Attention to Loss of Water and Soil" sounds another alarm about this to our people.

Owing to China's prolonged history of farming and cultivation and owing to frequent turmoil and the chaos of war and changes in land ownership, soil erosion has always been a great problem. Now the development of the commodity economy is speeding up daily and thus aggravating the contradiction between population and resources each day. The leading groups at all levels must pay close attention to soil erosion and adopt more and better methods to overcome it. Since the founding of the PRC, the CPC and the government have always paid attention to the work related to water and soil conservation. By the end of last year, we had already initially overcome soil erosion on one-third of the area in our country which had suffered from soil erosion in the past. The scale of our work of water and soil conservation and the achievements that we have scored in rousing the masses of people to find ways to overcome soil erosion have attracted world attention. However, in view of the scale and harm of soil erosion, China remains the country that suffers most seriously from soil erosion in the world. The pace of our work to overcome soil erosion has not yet been quicker than the pace of the deterioration of soil erosion. Serious soil erosion, destruction of water and soil resources, exhaustion of land fertility, and deterioration of the ecological environment have already become obstacles and latent problems in our country's economic development, in particular the economic development in our mountainous and poor areas. We should by no means overlook this.

Water and soil conservation is very scientific, comprehensive, and practical work. It is greatly restricted by our policies, law, and regulations and the economic laws. Therefore, it is not easy to do this work well. This magnificent engineering project demands the conscientious efforts of all sectors of our community. We should not regard it as too simple a task, nor should we regard it as a task for our government only. We should regard water and soil conservation as a great task for the whole community to grasp with an attitude of responsibility for the state and for our posterity. All areas and departments should see what they can do in water and soil conservation and how they can do it more soundly and better.

Over the past few years, the system of assigning peasant households contracted all-round responsibility for overcoming soil erosion in small river valleys has been implemented in many areas. This system has provided a relatively satisfactory solution for the long-standing problems in the work to overcome soil erosion being separated from the work of managing and using water and soil conservation facilities and of responsibility, power, and interest being separated from one another. This has vigorously proved that when policy and science and technology are satisfactorily combined, there will be boundless vitality. Only by arousing the masses' enthusiasm and making them think and work jointly can we actually do a good job in water and soil conservation. All areas should continue to sum up and perfect their experience in this sphere and earnestly grasp the work in the light of local reality in order to score achievements.

OVERSEAS LABOR SERVICES BODY ESTABLISHED

HK090349 Beijing CHINA DAILY in English 9 Jun 86 p 2

[By staff reporter]

[Text] The first national labour services organization supplying Chinese workers for commercial and cultural projects abroad has been set up in Beijing.

The China International Labour Cooperation Corporation will also handle requests for workers in industry, communications, construction, agriculture and animal husbandry in addition to supplying clerks for banks and insurance companies and employees for foreign governments.

In accordance with government agreements or through direct cooperation with Chinese companies, the corporation will also undertake joint venture projects abroad, a corporation official said.

The corporation ensures that the people sent abroad meet the requirements of receiving countries in terms of qualifications, numbers and time.

It also guarantees that China workers will abide by the laws and regulations, and respect the customs of the countries they work in, the official said.

China now has more than 60 specified companies exporting labour abroad, and by the end of 1985 more than 170,000 Chinese had been hired by industrial construction projects in foreign countries.

TOURISM WORKERS WARNED NOT TO TAKE TIPS

OW061813 Beijing XINHUA in English 1500 GMT 6 Jun 86

[Excerpts] Beijing, June 6 (XINHUA) -- Workers in the Chinese tourism indistry who accept tips from foreign visitors will be punished, an official of the National Tourism Administration said here today.

The official, Shen Shoujun, was replying to a question at a press conference.

A foreign reporter said that tipping seemed to have become more common in southern China. But Shen said this was not official policy, and that anyone caught accepting tips would face serious consequences. Shen gave the press conference up-to-date information about the development of tourism in China. The spokesman said that priority was being given to renovating and providing facilities at tourist attractions with an international reputation.

Shen said many new tourist hotels were under construction or were planned in major tourist cities, including Beijing, Shanghai, Xian and Guilin.

In Beijing, 80 hotels with a total of 60,000 beds were in the pipeline. Thirty were under way or in the course of preparations in Shanghai, and negotiations were being held concerning another 30.

In a bid to improve the running of existing hotels, measures were being taken to give more decision-making powers to hotel managements, and to set standards of service.

Shen added that hotels would soon be graded, with prices fixed according to grades.

YU QIULI MEETS MERITORIOUS FIGHTER, WIFE

OW082345 Beijing XINHUA Domestic Service in Chinese 1045 GMT 8 Jun 86

["She Loves the Fighter's Lofty Character -- Yu Qiuli Meets Meritorious Fighter Zhan Yaping and His Wife -- by XINHUA reporters Liu Huinian and Jie Yanzhen" -- XINHUA headline]

[Excerpts] Hangzhou, 8 Jun (XINHUA) -- The place was on the bank of Xizi Hu, and the time was the morning of 7 June when Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the General Political Department, was calling on a recuperating meritorious fighter by the name of Zhan Yaping and his wife Xu Xiulan.

Zhan Yaping was badly injured in a defensive battle against the Vietnamese aggression in Laoshan. After the amputation of most of his both legs and his left arm, he is still living and applying himself to study with an indomitable spirit. Yu Qiuli has, on many occasions, praised him as a "hard-core fighter." Of late, Xu Xiulan, a girl of good moral character from Wuxian County of Suzhou city, was married to Zhan Yaping. On learning of this, Yu Qiuli was so delighted that he paid a visit to the couple to congratulate the beginning of their new life.

At the gate of the barracks, Zhan Yaping, who had lost both of his legs and his left arm, sat in a specially designed wheelchair. Dressed in uniform and wearing a medal on the chest signifying his military exploits, he looked spirited, zealous, and cheerful. He was respectfully waiting for the arrival of the leaders of the General Political Department. Standing by his side was his young wife. She was of medium height. With her hair cut short and wearing a milky-white dacron blouse, she looked simple and graceful. Yu Qiuli warmly shook hands with the couple and extended regards to them. He said to Zhan Yaping: "It was your honor to get injured for the sake of the people." Turning to Xu Xiulan, he said: "What you love is that lofty character of our fighters." Then, he said: Both of you are the most lovable people and the models for young people of the 1980's to emulate."

Yu Qiuli sat with them and, with deep concern, inquired about their everyday life. He also had lunch with them and wrote an inscription for them. The inscription read: "He became physically handicapped but remains firm in his will to serve the people. She loves the lofty character of this fighter."

Last July SUZHOU BAO carried this news report: In a battle on the Laoshan frontline, Zhan Yaping, a fighter from Suzhou, was wounded in both legs and his left arm by an enemy shell. Now only his right arm remains, but the index and middle fingers have become functionless. Xu Xiulan, a young female worker, who was then 23, was deeply moved by this heroic deed. She went to her mother with the newspaper in hand and said in a lovely and innocent tone: "Mother, did you see this? What a lovable fighter!" That night, she couldn't sleep. She privately decided to dedicate her love to this heroic fighter and spend her lifetime looking after him.

With her parents' support, Xu Xiulan was married to Zhan Yaping. Their wedding took place in the hospital on 27 January this year.

All this deeply moved the old military leader, who spent over half of his life in the Army. Yu Qiuli said to Xu Xiulan: You are a good daughter of the Chinese nation. You are a very good young woman with the communist ideal and moral integrity. At this moment, Wang Fang, secretary of the Zhejiang Provincial CPC Committee, who accompanied Yu Qiuli on the visit, said: "Xu Xiulan is an example for young people in Zhejiang to follow." And Guo Linxiang, deputy director of the General Political Department, said to Zhan Yaping: "It must make you very happy to have such a good wife."

HU QIAOMU VISITS TELEVISED SPEECH CONTEST

OW091348 Shanghai City Service in Mandarin 0000 GMT 9 Jun 86

[Text] Comrade Hu Qiaomu, member of the CPC Central Committee Political Bureau, visited the Shanghai television station studio on the afternoon of 8 June. He watched with keen interest the finals of the second televised Mandarin speech contest on the beauty of language expressing the love of the motherland.

At the end of the contest, Comrade Hu Qiaomu said with delight: This Mandarin speech contest is a tremendous creation, which extols the programs staged; gives expression to the beauty of language, form, and style; and shows Shanghai's great progress in popularizing the Mandarin language. Comrade Hu Qiaomu stated: In such a lively manner, the work of popularizing Mandarin and the construction of Shanghai's spiritual civilization as a whole have been promoted.

Comrade Hu Qiaomu enthusiastically shook hands with the workers, teachers, middle and primary school students, engineers, and comrades of ethnic minorities who participated in the contest, and thanked them for their valuable efforts in popularizing Mandarin and beautifying the motherland's language.

FUJIAN GOVERNOR DISCUSSES FOREIGN EXCHANGE, TRADE

OW091115 Fuzhou FUJIAN RIBAO in Chinese 16 May 86 p 2

[Text] In his report at the fifth session of the sixth provincial People's Congress, Governor Hu Ping discussed matters concerning foreign economic exchange and Overseas Chinese.

He said: Developing foreign trade and increasing foreign exchange earnings through exports are vital to overall economic development; they constitute a long-term task in Fujian's economic construction. The draft Seventh 5-Year Plan gives priority to increasing foreign economic relations and trade, as well as increasing export-generated foreign exchange. It calls for a substantial growth in the total export volume, for a growth rate higher than that of industrial and agricultural output. In the meantime, it is necessary to vigorously develop tourism, foreign contracted projects, and labor service cooperation.

Hu Ping continued: It is necessary to readjust the production system and product mix of export commodities in accordance with the needs of the international market; to energetically develop new export commodities, gradually switching from exporting primary agricultural products, sideline goods, special indigenous commodities, and intermediary products, to exporting processed, intermediate products, and from primarily exporting small quantities of inexpensive goods to exporting large quantities of staple products; and to establish a production system for export commodities singular to Fujian.

Efforts should be made to reinforce the foundations of foreign economic relations and trade, open up new international markets, and enlarge overseas sales and service networks. It is essential to conscientiously implement policies aimed at encouraging exports and to galvanize enterprises into developing export commodities. To increase export-generated foreign exchange and improve solvency, it is necessary to properly expand the scale of utilizing foreign funds and importing technology, and to concentrate on energy, communications, and other infrastructural projects, on the construction of raw and semifinished materials industries, and on the technological transformation of the light industry, the chemical industry, agriculture, the machine-building industry, and the electronics industry. Based on the practice of summing up experience, we should actively open up all channels to bring in Overseas Chinese and foreign capital, continue to take part in international financial activities, seek medium and long-term preferential foreign loans, issue overseas bonds, and plan investments in export-oriented, technology-intensive, and developmental projects on a priority basis, in order to enhance socio-economic results in bringing in Overseas Chinese and foreign funds.

It is essential to achieve a major breakthrough in building the Xiamen Special Economic Zone, conduct systematic investigation into the practical implementation of free-port policies, and further bring out its functions as a technological, management, information, and foreign policy window and its central role as a hub in both domestic and foreign economic affairs. Construction of the Fuzhou open city, the Mawei economic and technological development zone, and the triangular open zone in southern Fujian, should be expedited.

Hu Ping said that Overseas Chinese affairs have always been one of Fujian's principal tasks, and that its unique role in this work has become more marked following the implementation of the open policy.

During the Seventh 5-Year Plan, we should devote ourselves to increasing contacts with Overseas Chinese of all walks of life, ardently and cordially work to ensure success of all types of undertakings serving Overseas Chinese, and bring about a new situation. It is necessary to integrate Overseas Chinese affairs with economic work. In attracting Overseas Chinese participation in hometown economic construction, it is necessary to maintain the principle of mutual benefit, provide a fine environment and preferential conditions, and resolve to make existing enterprises funded by Overseas Chinese successful. Success in Overseas Chinese affairs work hinges on domestic efforts.

It is essential to conscientiously implement the various policies toward Overseas Chinese and, in particular, to persist in implementing them. Full support should be given by all quarters to the construction of Overseas Chinese towns, and concern should be shown for returned Overseas Chinese and their dependents. It is necessary to help financially strapped returned Overseas Chinese eliminate poverty and achieve prosperity in the same way we do in old revolutionary bases and ethnic minority areas.

We should actively reform the economic structure of Overseas Chinese farms, enlarge the decision-making powers of these farms, and vigorously improve their economic efficiency. As a comprehensive and constructive task, governments at all levels should place Overseas Chinese affairs work on their main agenda, and all departments should show concern for and lend support to the work.

In the meantime, social forces in all sectors should be mobilized to take part in the task, and departments in charge of Overseas Chinese affairs should step up their own construction, effectively improve their ideological and work styles, and dedicate themselves to serving Overseas Chinese.

RUI XINGWEN ATTENDS SHANGHAI LEGAL AFFAIRS LECTURE

OW080758 Shanghai City Service in Mandarin 0000 GMT 8 Jun 86

[Excerpts] Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, went to the legal affairs lecture hall yesterday morning where, sitting in the front row, he and more than 100 other responsible comrades attentively listened to the lecture.

The lecture on attorney and notary systems, given by (Wang Wenzheng), deputy director of the Judicial Bureau, was the last in the current series.

The 2-month long lecture series was sponsored by the municipal party committee for leading cadres to study legal knowledge. Its participants included leading comrades of the municipal party committee, municipal Advisory Commission, Standing Committee of the municipal People's Congress, municipal government, municipal CPPCC Committee, and municipal Discipline Inspection Commission and the responsible persons of various municipal departments, commissions, and offices.

When the nearly 2 hours long lecture was over, Wu Bangguo, deputy seretary of the municipal CPC Committee, made a summing up speech. He hoped that leading cadres at all levels will make still better efforts to take the lead in studying legal knowledge and strengthening their concept of the legal system, strive to be models in enforcing and applying the law and pay good attention to propagating the legal system and educating people in this respect. He also announced that all participants in the lecture will take an examination.

SHANGHAI CRACKS DOWN ON ECONOMIC CRIMES

HK070722 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1322 GMT 6 Jun 86

[Report: "Shanghai Pays Attention to Cracking Down on Economic Crimes" -- ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 6 Jun (ZHONGGUO XINWEN SHE) -- Today, the Shanghai Municipal Intermediate People's Court opened a court session to announce the sentences for 12 offenders of economic crimes, including Hua Zidong [5478 1311 2639], passed at first trials.

Between January and March this year, Shanghai placed more than 500 cases of criminal economic activities on file for investigation. Of this, 80 percent took place last year. Only 6 percent of these cases took place in the first quarter of this year.

Analyzing these cases, Yao Genglin [1202 6342 7792], president of the Shanghai Municipal Intermediate People's Court told a ZHONGGUO XINWEN SHE reporter that: Judging by the cases taking place in Shanghai over the past 2 years, it can be seen that fraud cases involving the use of forged contracts are quite a serious problem and that the amounts of money involved are becoming larger and larger. Second, many newly established "firms" and "centers" have gone beyond the bounds of their operation by taking part in speculation. In addition, many enterprises and institutions have taken part in profiteering activities in an attempt to make money.

Yao Genglin said: While protecting legal economic activities, Shanghai's judicial departments will severely crack down on economic crimes in accordance with the law.

SHANGHAI ORGANIZES NEW SEX EDUCATION SOCIETY

OW060552 Beijing XINHUA in English 0532 GMT 6 Jun 86

[Text] Shanghai, June 6 (XINHUA) -- The city of Shanghai has organized a sex education society to promote sex and family planning education among its residents. So far, 40 experts in genetics, urology, gynecology, education and family planning have agreed to participate in the programs of the society set up yesterday.

Huang Yongkui, chairman of the new group, said the society will provide information to single as well as married people. "We'll promote research and gather information from scholars in other countries, and popularize the results," he said. "In general, we'll try to help improve relations between the sexes."

Shanghai has experience in sex education. The city has conducted information sessions on puberty in almost 100 of its middle schools.

In 1985, the city's family planning department organized a series of lectures on sex education that attracted 180 health researchers and officials from throughout China.

The city has also been encouraging work units to offer special information seminars for newlyweds. And it has sponsored publication and distribution of books, newspapers and magazines to popularize knowledge about birth control and sex.

GUANGDONG: SHENZEN TARGETS FOR INTRODUCING FOREIGN CAPITAL

HK040735 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1351 GMT 3 Jun 86

[Report by Zhan Moujun]

[Text] Shenzhen, 3 Jun (ZHONGGUO XINWEN SHE) -- Shenzhen's industrial goal during the Seventh 5-Year Plan period is to introduce $1.5 billion foreign capital, make total industrial output value reach 7 billion yuan, at an annual progressive rate of increase of 22 percent, and strive to realize a balance and a surplus in foreign exchange.

Today, Qu Hua, deputy secretary-general of the Shenzhen City people's government and deputy director of the Shenzhen City Industrial Development Commission, gave an outline of Shenzhen's industrial development goals at a symposium on the development experiences in the Asia-Pacific region held in Shenzhen and attended by representatives of 12 countries such as Bangladesh, India, Indonesia, Thailand, and so on. Qu Hua pointed out that from 1979 to 1985, Shenzhen set up 622 projects run jointly by Chinese and foreign businessmen or owned solely by foreign businessmen, involving a total agreed capital of HK$8.27 billion, of which HK$2.96 billion has been put into practical use. Of these, there are 127 projects with a total investment of over HK$10 million. At present, the 193 established enterprises which are jointly owned by Chinese and foreign businessmen or owned solely by foreign businessmen are all running very well, and 85 percent of them have made a profit. As the turnover period is short, investors' confidence has been inspired.

Qu Hua noted that in the future Shenzhen will continue to give priority to the development of the electronics, chemical, light, textile, new-type materials, and precision engineering industries. Qu Hua is optimisitic about the prospects for introducing foreign capital to carry out international economic and technological cooperation. Since one of the important conditions is its adjacency to Hong Kong. By making use of Hong Kong's favorable conditions as a center of international trade and finance, information, and shipping, and as a free port with which to integrate the preferential investment policy of the Shenzhen Special Economic Zone; constantly improving the investment environment of Shenzhen to absorb the international capital in Hong Kong; and making use of Hong Kong's industries, convenient transportation conditions, up-to-date and accurate information, and numerous international trade channels, the development of Shenzhen's outward-type economy can be promoted.

GUANGDONG: GUANGZHOU ECONOMIC ZONE DEVELOPMENT SUCCESSFUL

OW100600 Beijing XINHUA in English 0544 GMT 10 Jun 86

[Text] Beijing, June 10 (XINHUA) -- The Guangzhou Economic and Technical Development Zone in Guangdong Province has exported industrial goods worth 1.1 million U.S. dollars over the past two years, the INTERNATIONAL BUSINESS semi-weekly reported. Founded at the end of 1984, the zone has concluded 39 contracts and agreements involving an investment of 240 million yuan (75 million U.S. dollars), including 50 million U.S. dollars in foreign funds. Twelve businesses have gone into production in the zone so far including Sino-foreign joint ventures, Sino-foreign cooperative enterprises and businesses between Guangdong and other parts of the country. The paper attributed the success of the zone to starting production projects with less investment and quick economic result and getting support from Guangzhou City. While building workshops and infrastructure facilities, the zone began production by using the city facilities.

GUANGDONG TO TOUGHEN IMPORT/EXPORT INSPECTIONS

OW090612 Beijing XINHUA in English 0547 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- Guangdong will step up inspections and begin fining violators July 1 in line with the province's new regulations. According to the provincial Commodity Inspection Bureau, all imports and exports have to go through inspection procedures and a fine up to 20 percent of the value of the goods involved will be imposed on violators. The new regulations require all enterprises involved in foreign trade to register with their local inspection bureaus. For vegetable exporters, this also means full disclosure of pesticide use.

According to the Guangdong Inspection Bureau, 20 percent of all imports arrive damaged or are otherwise unacceptable. Because some enterprises fail to examine the goods promptly, it said, they lose their rights to compensation -- and so end up paying for imports that cannot be used.

HUBEI MEETING ADVOCATES REVIEW OF CADRE SELECTION

HK070513 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 6 Jun 86

[Excerpts] A recently convened provincial meeting of heads of organization departments of prefectures and cities reviewed the selection and employment of cadres in recent years, in light of the CPC Central Committee's circular on strictly acting according to party priciples in this work. The meeting also made arrangements for future work.

Liu Qizhi, member of the Standing Committee of the provincial CPC Committee and director of the Organization Department, said: In recent years the great majority of party organizations in Hubei have observed party principles and selected and employed cadres in accordance with the guidelines on the four transformations of cadres proposed by the CPC Central Committee and the criterion of ability and political integrity. Relatively good achievements have been scored and the general situation is good.

However, the problems pointed out in the central document also exist in our province. Although these problems only involve a few people, they have a very bad impact and must be resolutely corrected and prevented. The review in the previous period was not thorough enough. We must make efforts in the following respects in the next stage:

1. Further study the relevant documents of the central and provincial CPC committees and truly appreciate their spirit. We must regularly educate leading cadres on appointing people to posts on their merits, not on the strength of acquaintances. We must implement the party principles in a model way in employing people.

2. Get a thoroughly good grasp of the rview. We must take stock of the selection and employment of cadres since 1983. In this we must focus on whether they have made illicit use of relationships, entered by the back door, interceded for people, and abused their powers. We must also see whether they dare not withstand unhealthy trends and have abandoned principles. We must also see whether they have taken effective steps to actively correct and prevent unhealthy trends. In particular, we must be bold in exposing leading cadres. Those who are seriously in question must be promptly investigated and dealt with.

HEBEI RURAL PARTY RECTIFICATION PROGRESS REVIEWED

OW101341 Beijing XINHUA Domestic Service in Chinese 0815 GMT 6 Jun 86

[Text] Shijiazhuang, 6 Jun (XINHUA) -- According to a sampling investigation of the situation in party rectification conducted recently by the Hebei Provincial CPC Committee in 90 villages of 26 townships in Shijiazhuang, Handan, Baoding, Huailai, Wanxian, Zhuoxian, and Zaoqiang, the rectification of party organizations in these cities and counties has been developing soundly with remarkable results. Approximately 90 percent of the villages have been fairly successful in rectifying their party organizations; they have successfully resolved a number of issues which normally could barely be resolved over a period of several months in the past. This means that only about 10 percent of the villages have performed poorly or perfunctorily.

In the course of rectifying party organizations, the rural areas have earnestly settled and corrected certain serious problems among some party member-cadres who were seeking personal gains by misusing their authority, causing strong dissatisfaction among the masses. Such irregularities as embezzling collective property, defaulting payments of public funds, winning contracts by misusing authority, occupying more land for building private homes, lavishing money on food and drinks, and so forth, have been basically halted. Noticeable changes have taken place in some villages which had longstanding problems as well as in some problem-ridden village party branches.

For example, several members of Zhuoxian County's Tangdoudian village party branch all had problems in handling economic matters. In the course of party rectification, they seriously examined their mistakes and returned the property they had embezzled. Of the 100 or so party members of Shenbei village in Wanxian County, 11 had been secretaries and 47 had been members of the village party branch. Influenced by factionalist and clannish ideas, there used to be deep grudges between party member-cadres and party members.

In the course of party rectification and study of the relevant documents, higher party orgaizations helped the villagers and party members properly evaluate the merits and demerits of members of the various party branches of the village, draw lessons, distinguish between right and wrong, and unify their understanding, thus promoting inner-party unity and forging closer ties between party members and the masses. Those comrades who used to attack one another began to realize their own mistakes and made self-criticisms.

Later, everybody worked together to study how to become affluent and, led by the party member-cadres, they volunteered their services and built a 37 mu fish breeding pond. Because some party members in Zaoqiang County's Hongwu village did not want to become cadres, the vilage had no party branch and no electricity, water supply, or school for 6 years. The villagers had to fetch their drinking water from the county seat, and their children had to attend school in another village. Following party rectification, a party branch was set up in the village. A plan for eradicating poverty was drawn up, and projects for utilizing electricity, building water wells, and building a school were launched.

Thanks to the education provided by party rectification, all party members, including those who are also cadres, have greatly heightened their understanding of the party's fundamental objectives. They have come to understand that, during the new period, their main duty is to lead the masses to develop production and to work hard to become affluent.

Despite the adoption of a household-based contract system of linking payments with output, over the past several years many party members and party member-cadres did not know what the party branch should do, nor how they could play an exemplary vanguard role. Thanks to party rectification, they know now what to do.

Zhang Jiaming, secretary of the party branch of Shijianfang village in Wenan County, purchased a tractor and set up his own business 2 years ago, paying no attention to his work as village party branch secretary. During party rectification, he was helped in learning whether or not he had served the people. He realized that, as secretary of the village party branch, he should not have pursued personal prosperity without paying attention to village affairs. Then, after discussions with the villagers, they promptly set up a plastic plant and organized service teams, and accepted a contract for processing tarpaulins for another locality. The masses said happily: "Our 'locomotive' Zhang Jiaming is moving ahead at full speed again."

After fulfilling a collective contract, Zhang Lianxiu, secretary of the Shantouzhuang village party branch in Fengrun County, felt that being a cadre was a thankless, tiring, and restrictive job, and wanted to quit. At a meeting of the party branch, he proposed a rule: "Instead of looking for work ourselves, let work look for us." After being educated during party rectification on what was the party's fundamental objective, he realized that the reason why he had become so disinterested was because he had thought much more about himself than about the masses. Now, under a 3-year development plan he has drawn up for the village, he is leading the villagers to build a school, expand their orchards, and reorganize a collectively-run marble factory -- projects that are fully supported by the villagers. The villagers said: "Party rectification has reinvigorated Zhang Lianxiu's enthusiasm to create a better life."

In the course of rectifying village-level party organizations, party members in many villages have taken the lead in repairing roads and bridges, planting trees, sinking wells, and other projects which are beneficial to the masses. In the rural areas of Shijiazhuang Prefecture, some 820 party members have now either transferred their profitable businesses to impoverished families or have started operating their profitable businesses jointly with those families. The masses say that they now know who are party members and who are not.

Yu Fengshan is an economically-minded, honest, and helpful young peasant of Shangzhuangzi village in Yongqing County. Because he saw that some party members in his village "never acted like party members," he did not apply for party membership for a long time. During the course of party rectification, he was deeply moved by the performance of party members who took the initiative in repairing water wells, building brick kilns, helping impoverished families develop sideline occupations, and braving bitter cold to salvage collective property from the bottom of some wells. Last April, he submitted his application to the village party branch and requested to be allowed to join the party.

SHANXI: YANGQUAN CRACKS CASE OF ECONOMIC ANOMALIES

HK271424 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 26 May 86

[Excerpts] The cse of the Yangquan City economic and technological development general company has been thoroughly investigated and properly dealt with.

With the approval of the Central Discipline Inspection Commission, the provincial CPC Committee and the provincial Discipline Inspection Commission have decided after discussions to give an inner-party disciplinary warning to a former deputy secretary of the Yangquan City CPC Committee who concurrently held the posts of city mayor and chairman of the board of directors of the city economic and technological development general company. Before this, the Yangquan City Discipline Inspection Commission decided to dispel (Zhao Anlin), vice chairman of the board of directors and general manager of the company from the party. He has been verified as a person of the three categories, and it was suggested that he be given serious administrative punishment. The city Discipline Inspection Commission also decided to give a serious inner-party disciplinary warning tò (Zhang Wanjin), deputy general manager of the company.

On 23 May, the city held a meeting on straightening out party style and summing up experiences in running the city economic and technological development general company. (Gu Zhengxi), secretary of the city CPC Committee, and Comrade (Guang Min), deputy secretary of the city CPC Committee and city mayor, spoke. Comrade Zhang Bangying, Standing Committee member of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission delivered a speech at the meeting.

The investigation shows that the case of the Yangquan City economic and technological development general company is one in which leading party and government comrades had a hand in illegally running the enterprise by violating the spirit of the relevant central documents, and as a result of some people of the three categories, taking advantage of reforms. In October 1984, former members of the Yangquan City government, out of desire for invigorating the economy and doing some good things for the people of the city, decided to set up the Yangquan City economic and technological development general company. However, in the course of forming the company, more than 40 leading cadres above the county level joined the board of directors of the company, which runs counter to the relevant regulations of the central authorities. The former city mayor assumed the post of chairman of the board of directors. When the central leadership issued a relevant circular, they failed to act immediately upon it. In business operations, the company failed to conduct serious and meticulous investigation and developed some impractical projects, thus putting the company in a predicament and inflicting heavy economic losses to the state. Worse, the company failed to select and employ cadres in accordance with the four requirements for cadres. As a result, (Zhao Anlin), a person of the three categories, assumed the post of general manager of the company. By taking advantage of reforms, he seriously engaged in malpractices, defaming reforms.

After giving his opinions on investigating the case and speaking on the bitter lesson that should be drawn from the case, Comrade Zhang Bangyin put forth five suggestions for properly improving party style at present: 1) More efforts should be made to investigate and handle major and important cases. 2) It is necessary to correct sectoral malpractices in connection with the characteristics of all trades and fronts and to enforce discipline in an all-round way. 3) We must adhere to the approach of seeking truth from facts and strictly implement the party's policies. 4) Leading cadres at all levels must set a good example in straightening out party style. 5) It is essential to strengthen leadership over the work.

In conclusion, Comrade Zhang Bangying said that CPC committees at all levels must actively support the work done by discipline inspection committees and do their utmost to help them solve practical problems, so as to improve the province's party style as soon as possible.

NINGXIA WORK CONFERENCE EXAMINES ECONOMIC REFORM

HK041446 Yinchuan NINGXIA RIBAO in Chinese 21 May 86 p 1

[Report: "Hei Boli's Report on the Regional Work Conference on Reform of the Economic Structure in Cities"]

[Text] On 19 May, the regional CPC Committee and regional people's government convened in Yinchuan the first regional work conference on economic structural reform in cities. The main purpose of the conference is to summarize the situation of the region's development of economic structural reform in cities over the years and to work out plans for this year's reform tasks while emphatically studying the issue of developing lateral economic ties. At the session held on 20 May, Hei Boli, chairman of the region, delivered a report entitled "Correctly Understand the Situation; Continue To Promote Reform."

When talking about the region's situation of economic structural reform in cities, Chairman Hei Boli pointed out: Following the 3d Plenary Session of the 11th CPC Central Committee, we began exploring and conducting urban reforms in experimental units, while gradually carrying out rural reforms. In particular, after the 3d Plenary Session of the 12th CPC Congress adopted the "decision of the CPC Central Committee on reform of the economic structure," the region's urban reform entered a new stage and has scored remarkable successes. The region has scored breakthroughs in developing a diversified ownership system and operation, it has quickly developed lateral economic ties, and strengthened the vitality of enterprises, the socialist market became active, and the region has probed ways of strengthening and improving macroeconomic management. He said: Reform has not only ensured continuous, coordinated, and steady development of the region's national economy, but also promoted changes in the way people think, in their mental attitude, and way of living. It also pounded at the vestiges of feudalism, the thinking of small-scale production, as well as ignorant and conservative traditions and customs, which are related to the poor state of our current commodity economy.

When urging us to correctly understand the new situation and new problems which have developed in the course of reform, Hei Boli pointed out: The region's pace of carrying out reforms is rather slow. Many promulgated reform measures are still not implemented and perfected. We have not made things suit these measures, and there are many problems, particularly some new problems developed when the new system replaces the old one, which we must handle correctly. The major difficulty and problem of our current reforms are that our thinking does not conform to the new situation of reform, microeconomic activities of enterprises are not dynamic, macroeconomic control does not invigorate microeconomic activities, and so on.

Hei Boli pointed out: Various difficulties and contradictions developed in the course of reform have made us thoroughly understand that in order to continue to promote reform, we must understand the arduousness of reform, handle well the relationship concerning the replacement of the old system by the new, correct the relationship between microeconomic reform and macroeconomic reform, and really strengthen our leadership over reform.

In his report, Hei Boli worked out this year's tasks of reform. He said: In this year's economic structural reform, the region must really implement the principle of "consolidation, assimilation, augmentation, and improvement." The focal point is to promote lateral economic ties, consolidate and develop achievements of reform, and at the same time make preparations for quickening the pace of reform in the next 2 years.

Proceeding from four aspects, he specifically expounded on the tasks of reform:

First, we should assimilate and augment the stipulated reform measures. The focal point is to further strengthen the vitality of enterprises, particularly the large and medium-sized core enterprises, as well as those that earn foreign exchange through export. We should further invigorate and develop the socialist commodity market, and strengthen and improve market management. We should further improve the financial and taxation systems, the accounting management system, and the financial management system. We should consolidate and assimilate the promulgated measures for pricing reform, and resolutely maintain basically stable prices as a whole, particularly the prices of vegetables and major nonstaple food. We should continue to do well in reforming the distribution system. In particular, we should perfect wage reform among organs and institutions, work out wages for professional jobs, resolve the prominent problems left over from the past, and perfect the work of reforming the whole system of enterprise wages. We should also reform the management system concerning foreign trade and foreign exchange.

Second, we should greatly promote lateral economic ties. Our present focal point should be on the development, utilization, and in-depth processing of mineral and natural resources such as coal, electricity, and aluminum, as well as energy consuming products. We should strengthen the technological transformation of enterprises and strengthen the development capability of enterprises, particularly large and medium-sized ones. We should develop light industry, textile industry, and food industry, as well as town and township enterprises. We should increase the grain amount per area yield, improve quality of agricultural goods, and develop breeding industry such as animal husbandry and aquatic industry. At the same time, we should pay attention to importing technology, strengthening our investment in intellectual resources, training personnel well, as well as economic and technological consultation services, and so on.

Third, we should strengthen and improve the indirect management and readjustment means of macroeconomic control, further reform the planning and financial systems, and strengthen the economic legislation and economic judicature so as to make economic system serve reforms.

Fourth, we should continue to carry out reforms in experimental units in order to make preparations for quickening the pace of reform in the next 2 years.

Fifth, we should strive to do well in the economic work and create sound economic environment for reforms.

The conference was chaired by Yang Huiyun, regional vice chairman. It was attended by such regional leaders as Hao Tingcao, Liu Guofan, Ma Qingnian, and Li Yunhe. Also present were leading comrades in charge of economic work from various localities and departments, some responsible people from enterprises, and regional organ cadres at and above the departmental level.

QINGHAI COMMENTATOR'S ARTICLE ON RURAL REFORM PROBLEMS

HK100315 Xining Qinghai Provincial Service in Mandarin 2230 GMT 9 Jun 86

[Station commentator's article: "Consolidate and Develop the Fruits of Rural Reforms"]

[Excerpts] Since 1981, Qinghai Province has carried out reform in two stages in the rural areas in accordance with the plans of the CPC Central Committee. These reforms have effectively spurred the development of the rural economy.

However, we must also clearly realize that certain new situations and problems have arisen in the rural areas on the way ahead. For instance, due to indiscriminate occupation of farmland by the peasants, and other reasons, the province's farmland area declined by 330,000 mu during the Sixth 5-Year Plan period. Artificial damage has been done to large number of waters conservancy facilities. The sown area of grain, the area farmed by machine, and the area on which insect pests have been eliminated have all declined. Peasant investment in the land has dropped. Illegal selling and renting of contracted farmland has even occurred in certain villages.

These problems are caused by mistakes in work and also by the low quality of the peasants. However, the main reason is that the leading cadres have a one-sided understanding of the position and role of agriculture during the changes in the rural production structure. Some regard township enterprises as a sole aim of the changes in the rural production structure and assign agriculture a secondary position. Some directly regard the development of tertiary industry as the main goal of reforming the rural production structure, and in doing so they attempt to exceed the actual requirements of the development of material production departments such as agriculture and industry and also the current level of the rural productive forces. They see tertiary industry as the main focus for surplus rural manpower. Thus, although they can see the problems that arise, they adopt a laissez-faire approach and are unable to promptly curb malpractices such as indiscriminate occupation of farmland, sabotage of water conservancy facilities, and selling or renting contracted land.

The CPC Central Committee and the State Council have issued a series of guiding documents on agriculture in recent years. Due to the fact that these have not been promptly conveyed to the masses, certain muddled ideas have arisen among the peasants. Some peasants say that the documents have reached the terminus when they get down to the township level. This is very [words indistinct].

Agriculture is the foundation of the national economy. The development of agriculture is subject to economic and natural laws. The more the national economy develops, the greater the demands it places on agriculture, and the greater the burden on agriculture. At present we have entered the second stage of rural reforms. There is bound to be a third and fourth stage. If we are only concerned with the present and not with the future on our road to reform, the foundation of [word indistinct] will be lost.

A number of counties and townships recently took decisive action to put a stop to the unhealthy trends of indiscriminately occupying farmland and damaging water conservancy facilities. This action was taken while conducting education for the peasants. The results have been very good.

The proportion of agriculture and animal husbandry in Qinghai's economy is very high. Over half the population is engaged in agriculture and animal husbandry. In changing the rural production structure, far from weakening agriculture, we must increase agricultural production in every respect. Only thus can the agricultural economy be further invigorated and the rural reforms further consolidated and developed.

COMMENTARY CLAIMS FORMOSAN ASSOCIATION COMMUNIST PUPPETS

OW110201 Taipei International Service in English 0200 GMT 10 Jun 86

[Station commentary]

[Text] Concerned parliamentarians, scholars, and magazine publishers in free China held a public forum last Friday to voice their objection to external meddling in the country's internal affairs. They ended their meeting by publishing an open letter to U.S. Senator Edward Kennedy and his three congressional colleagues, urging them to disband the recently launched quote Committee for Democracy on Taiwan unquote and distance themselves from a group of Chinese terrorist traitors who have been working for the destruction of free China.

It is advice offered in all sincerity.

If Kennedy and three other sponsors of the committee have the good sense to face reality, they should accept the advice with thanks.

In the first place, democracy faces no problem in Taiwan. It has been making steady progress all the while, even though the ROC is locked in a deadly struggle with the Chinese communist regime across the 90-mile wide Taiwan Straits. If that was not the case, there couldn't have been so much progress in Taiwan economically and socially. Kennedy and his friends need only to see what has happened in communist-ruled lands and countries with authoritarian regimes to realize this.

If the ROC Government were really authoritarian, as its detractors charge, how could it be that the ruling party has been able to pool 70 percent or more of the popular vote and polls in one election after another. Senator Kennedy and his three congressional colleagues should be reminded that they have been made fools of by the people they have associated with in the anti-ROC drive.

The so-called Committee for Democracy on Taiwan is nothing but a front of the terrorist dissident group which calls itself Formosan Association for Public Affairs [FAPA]. That is reflected by the fact that two have identical address and telephone numbers in Washington, D.C. A review of FAPA's history suffices to show what kind of organization it is. Founded in 1982, FAPA has fewer than 300 followers in the United States. Among its 61 principal officials elected in September last year, 41 belong to the World United Formosans for Independence [WFI], headed by a George T. Chang. By its own admission, the federation committed 14 terrorist acts against the Republic of China in Taiwan and abroad in the months following the U.S. recognition of Peking. Because of this, the State of California declared the federation as a terrorist group in 1981.

FAPA and WFI are non-Chinese in mentality, although they are Chinese by birth. This is shown in the fact that both avoided the word Chinese or Taiwan to identify themselves. Instead, they use the foreign word Formosan to back up the absurd claim that the Chinese people in Taiwan are a different race, having nothing to do with China. If FAPA and WFI were interested in promoting democracy in Taiwan, they wouldn't have resorted to terrorism, which is certainly undemocratic. They also betrayed their true intentions by openly calling for the termination of U.S. arms sales to the Republic of China. The acts and statements of the two groups have fully revealed that they have become a tool of the Chinese Communist regime, whose objective is to enslave the 19 million free Chinese in Taiwan.

COMMENTARY PESSIMISTIC ON HONG KONG'S ROLE UNDER PRC

OW110340 Taipei CNA in English 1400 GMT 10 Jun 86

[Text] Taipei, June 10 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "Exodus From Hong Kong":

A recent UPI dispatch from Hong Kong began with the following words:

It's 1997 and mainland Chinese leader Deng Xiaoping is gone, his loyalists have been purged and his economic liberalism has been discredited. And his pledge of an independent Hong Kong has been forgotten.

"Real estate and financial markets collapse in the former British colony. An unscrupulous commissar sits in the governor's mansion issuing edicts that trample basic rights."

The UPI correspondent, who termed his forecast as "a worst-case scenario," was reporting the development of a flourishing passport business in Hong Kong as local residents are sufficiently concerned about such an eventuality to scramble for alternative citizenship before Communist China takes over the colony 11 years from now.

The seeming calm in Hong Kong is a deceptive picture. The people of Hong Kong have already acquired a "refugee mentality" as a British academic pointed out.

Stanley Ho, a leader in neighboring Macao's tourism and casino industry with other business interests in Hong Kong, said a couple of days ago that there is already a steady stream of people leaving Hong Kong, and that the exodus will continue as nobody has faith in the future. Speaking at the prestigious College of France, Ho said the refugee mentality of Hong Kong residents shows itself in frequent over-reaction to, say, stock market trends. Ho said, while the current rate of departures is not a threat, a developed capitalist center is being handed over to a backward communist regime, and people are openly skeptical that Peking's promise of "one country, two systems" will work.

The skepticism is a healthy one. To begin with, Peking was never sincere in promising Hong Kong autonomy status, because the intended audience of the "one country, two systems" pledge is the people of free China on Taiwan.

Even if the promise was made in good faith, it would amount to little in substance, as keeping promises is not a virtue among the Chinese Communists. One has only to examine Peking's track record of honoring agreements to find proof. It even ignores the provisions of its own Constitution.

More importantly, the "one country, two systems" scheme is impractical, least of all in a communist state where comformity is the cardinal virtue.

Therefore, the "worst-case scenario" described by the UPI contains little element of exaggeration. Even if Deng could live to the end of this century and his loyalists would remain firmly on the saddle, the chance of Hong Kong remaining what it is after the 1997 takeover is virtually nill.

That's why the exodus from Hong Kong has begun and will continue. The only way to stop it is for the free world to join the Republic of China to return democracy to the Chinese mainland.

UNAPPROVED TRADE CONDUCTED AT EXPENSE OF PRC DEVELOPMENT

HK100239 Hong Kong HONG KONG STANDARD in English 10 Jun 86 Business Section p 1

[By To Yiu-ming]

[Text] State owned companies from China doing business without formal approval of the central government in Bejing have boosted the capital inflow of Hong Kong at the expense of China's development.

A research report by the consultancy firm, Cerd Consultants, said that less than 200 out of more than 1,000 state-owned companies have been given the blessing by Beijing to operate in Hong Kong.

Dr Thomas Chan -- a research officer at the Centre of Asian Studies of the University of Hong Kong, who organized the research on China-owned companies here -- told BUSINESS STANDARD that Hong Kong stands to gain from the capital inflow, as well as investment and employment opportunities brought in by the large number of unauthorized companies. He added, however, that such a growth, if unchecked, may prove detrimental to China's development.

Increasing competition among these companies would hold down the export price of Chinese products, he said, leading to a reduction of export revenue for China. Dr Chan said unrestrained growth in the number of these companies, mainly from provincial and local authorities, might go against import policy and prove to be an outlet draining China's precious foreign exchange reserves.

In the research report, Dr Chan pointed out that China has been tightening its control over state-owned businesses in Hong Kong by introducing better coordination and supervision from the central and provincial authorities. The measures are aimed at remedying the confusion and dislocation in China's foreign trade arising from liberalisation and decentralisation, which enabled provincial and local enterprises to conduct trade for themselves since the end of 1984.

The control measures include enforcing a system of export permits, strengthening import controls, and strictly scrutinizing state enterprises in Hong Kong that have been mushrooming after extensive reform of foreign trade system was introduced. The most recent measure taken by China was reducing the number of approved companies from more than 200 in 1982 to about 140 in 1985, according to the report.

In addition, the State Council has been examining these state-owned businesses in Hong Kong to work out a management scheme by which the companies will be placed under the supervision of relevant authorities in the mainland.

But Dr Chan warned that the effect of these measures would be minimal as far as tightening of control over trade is concerned, if the central or provincial authorities could not rein in the other unapproved companies. "They simply come to Hong Kong and venture in trade with their home province or district, disrupting established channels in China-Hong Kong trade," he said. These companies may not possess as large amounts of state capital as the Bank of China or China Resource Holdings.

GUANGDONG CORPORATION VENTURES INTO OVERSEAS BONDS MARKET

HK110210 Hong Kong HONG KONG STANDARD in English 11 Jun 86 Business Section p 1

[By Eva To]

[Text] The Chinese Government's Guangdong International Trust and Investment Corporation [GITIC] looks set to launch its first public Samurai bond placement. The fixed-rate issue, with maturity not exceeding 10 years, will be the first fund-raising exercise in the overseas money market by Guangdong Province. The amount to be raised would be in the range of 10-20 billion yen (UK [as published] 450-900 million) and would be used to finance a film and bromide (photographic paper) factory in Shantou, a GITIC spokesman in Shenzhen told BUSINESS STANDARD.

Having obtained an informal greenlight in late March from the country's central bank -- People's Bank of China [PBOC] -- GITIC applied for credit rating in the Japanese market and has just obtained an "AA minus" rating, the spokesman said.

This gives GITIC the same rating as the Fujian Investment and Enterprises Corporation (FIEC) of the Fujian Province and the Shanghai International Trust and Investment Company (SITIC). Both FIE and SITIC have floated similar Samurai bonds earlier in Japan.

The rating compares with the "AA" and "AAA" ratings that China International Trust and Investment Corporation (CITIC) and Bank of China received, respectively, in the Japanese market. All foreign institutions seeking to float bonds in Japan for the first time are required to obtain a rating.

The spokesman added that GITIC had filed its formal applications to PBOC and the Japanese Ministry of Finance (MOF) for official approval of the proposed placement. He said the Japanese firm Nomura Securities had been acting on GITIC's behalf in getting the credit rating and had been requested to handle the current application to the MOF.

The spokesman also noted that at least five major Japanese securities houses will be included in the underwriting team for the float. These would include the Nomura Securities, Nikko Securities, Daiwa Securities and Yamaichi Securities -- better known as the "Big Four" securities houses listed on the Tokyo Stock Exchange. The composition of the commissioning banks is still to be finalised, according to the spokesman.

He pointed out that the proposed fund raising will only manage to meet aout one-third to two-thirds of the capital requirement of the Shantou film factory which needs a total capitalisation of about 30 billion yen. The remainder is likely to be raised in the Honk Kong capital market at a later date, he said. The issue would probably be denominated in an Asian currency or the Hong Kong dollar, he said.

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REAGAN DEFENDS DECISION ON SALT II TREATY

OW120738 Beijing XINHUA in English 0646 GMT 12 Jun 86

[Text] Washington, June 11 (XINHUA) -- U.S. President Ronald Reagan tonight defended his decision to scrap the Strategic Arms Limitation Talks (SALT) II Treaty by the end of this year by saying that the treaty was "really nothing but the legitimizing of an arms race." At a nationally televised press conference at the White House, Reagan said that the SALT II Treaty, signed by then U.S. President Carter and the late Soviet Leader Leonid Brezhev in 1979 but never ratified by U.S. Congress, "didn't do anything to reduce nuclear weapons or the nuclear threat." "All it did was to regulate how fast and how much we could continue increasing the number of weapons," he said.

He accused the Soviet Union of "violating the restraints of the treaty: for seven years ever since it was signed. "We could not go on unilaterally observing the constraints while the Soviet Union violated them and gained even greater superiority over us," he declared. But he added that there are still several months before the United States makes final decision to exceed the limits of the treaty. During that period of time, he suggested, the Soviet Union still has "an opportunity to meet us now with regard to some of the very things they have been proposing -- arms reduction." He stressed that the United States is going "to do its utmost" to see whether it could involve the Soviet Union in replacing the SALT II Treaty with "a realistic program of arms reduction." He called Mikhail Gorbachev "the first Soviet leader that has ever voluntarily spoken of reducing nuclear weapons." "We want to follow up on that," he said. Asked about the possibility of a second U.S.-Soviet summit meeting, Reagan said he still believes that the Soviet leader "wants a summit, and I want a summit." "I believe it's going to take place," he said.

WHITEHEAD SEES REAL CHANGES UNDER GORBACHEV

OW100754 Beijing XINHUA in English 0642 GMT 10 Jun 86

[Text] Washington, June 9 (XINHUA) -- A senior U.S. Government official said today that while the United States doesn't expect the Soviet Union to be anything other than "a frequently belligerent nation," it would be a mistake to dismiss out of hand the possibility of real policy changes under the leadership of Mikhail Gorbachev. Speaking before the annual conference of the American Stock Exchange here, Deputy Secretary of State John Whitehead said that since his coming to office over a year ago, Gorbachev "has not made radical departures in Soviet positions on arms control or regional questions". "But he has taken the initiative to propose some changes in the Soviet positions. He has also suggested new ways of thinking about the broad issues of East-West relations", he said.

In arms control, Whitehead said, there appears to be progress on some broad principles, such as the desirability of deep cuts in nuclear weapons and the necessity of verification, though it "depends on Soviet willingness to take specific steps leading to agreements". He pointed out that the Soviet Union now faces "hard choices" in foreign policy. While engaged in an ambitious plan for economic revitalization at home, it is lowering oil prices and decreasing hard currency earnings. According to Whitehead, the Soviet hard currency earnings have dropped from 33 billion U.S. dollars in 1984 to 27 billion dollars in 1985 and will decline further to a projected 18 billion this year. This will make it increasingly difficult for the Soviet Union to sustain "an unconstructive foreign policy", he predicted. Whitehead suggested that the United States should demonstrate to the Soviet Union "that it is overextended, that the costs of ill-considered expansion are too heavy, and that peaceful settlements recognizing legitimate Soviet interests are possible."

PRC JOURNAL VIEWS SINO-SOVIET TALKS ISSUES

HK110418 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese 9 Jun 86 p 27

[Article by Li Nan: "How Can It 'Involve a Third Country?' -- Comment on Sino-Soviet Talks"]

[Text] Many international negotiations are long drawn-out affairs. In the distant past there were the Sino-U.S. talks in Warsaw which went on for over 10 years; recently there have been the Sino-Soviet talks of which eight rounds have now been held, spread over 3 years. It seems that the Sino-Soviet talks will be continuing, and the deputy foreign ministers of the two countries will still need to shuttle back and forth between the two capitals.

A very simple communique is issued at the end of each talk. There are contents concealed behind these communiques, and the media in various countries have come up with plenty of guesswork and analysis. Some information has also come out. Taking an all-round view, the Sino-Soviet talks are useful, and the two countries' economic and cultural relations have developed. However, there has been no progress on substantive issues, and so it cannot be said that there has been some breakthrough in normalizing relations between the two countries.

Where do the difficulties and problems lie? There are three obstacles to normalizing Sino-Soviet relations: Soviet support for Vietnamese aggression against Cambodia, the Soviet invasion of Afghanistan, and the deployment of large numbers of Soviet troops on the Sino-Soviet and Sino-Mongolian borders. These three problems involve China and the Soviet Union and have a bearing on China's security. The Chinese side has therefore proposed that the talks should discuss and find ways to eliminate these obstacles. Chinese leaders have stated on many occasions that these three obstacles must be eliminated in order to normalize Sino-Soviet relations.

For its part, the Soviet Union takes a contrary approach. It will neither acknowledge nor discuss the three obstacles, and naturally, still less is it prepared to eliminate them. The Soviet Union gives as its reason for this that these problems "involve a third country," and the Soviet Union "is not prepared to harm the interests of a third country." Soviet leaders and media have repeatedly stated this view.

The Sino-Soviet talks are thus stalled in the face of this impasse.

According to the views put forward by the two sides, no more than two questions need to be clarified: 1) Can problems involving a third country be discussed? 2) Will the elimination of the three obstacles between China and the Soviet Union harm the interests of a third country?

The first question is extremely simple to answer. There is nothing new in international affairs about two countries discussing questions related to a third country. During their talks, the Soviet Union and the United States have discussed questions concerning Europe, the Middle East, and Afghanistan. The current world situation is a complex affair, and involvement of one country is bound to involve others. What needs to be discussed here is not the internal affairs of a third country, nor that country's normal relations with others, but the question of a relationship between the Soviet Union and a third country which harms China's interests and threatens its security.

This is quite reasonable. There is in fact no need for the Soviet Union to evade the issue and hasten to say, no discussion, when a "third country" is mentioned in the Sino-Soviet talks.

As for the second question -- that is, international talks should not harm the interests of a third country -- this is of course a correct principle, and it should be a universally applied principle in international relations. There is nothing wrong in itself with the Soviet Union raising this principle; however, the three obstacles that China has raised have precisely been caused by the Soviet Union violating this principle. In raising the question of eliminating these three obstacles during the talks, China is precisely demanding that the Soviet Union return to this international principle.

"If I give a man one corner and he cannot infer from that the other three, I teach him no more." In terms of one of the three obstacles, this means that the Soviet Union is helping Vietnam commit aggression against Cambodia.

The Soviet Union's assistance for Vietnam in its aggression against Cambodia is an objective fact. The Soviet Union has supported Vietnamese aggression against Cambodia by providing money and arms and posting Soviet military advisers to the Vietnamese aggressor army in Cambodia. Neither the Soviet Union nor Vietnam deny these facts. The Soviet Union's support for Vietnam in vigorously expanding its armaments and launching armed provocations against China naturally poses a threat to China. It appears that the Soviet Union has not provided an explanation on this point. In helping Vietnam to commit aggression against a third country -- Cambodia -- and threatening the security of another third country -- China -- the Soviet Union is harming the interests of two third countries.

How about it then, when what China hopes for is precisely that the Soviet Union will not harm the interests of a third country in its relationship with Vietnam, let alone when that third country whose interests are being harmed is China?

How is normalization possible if, during the Sino-Soviet talks, matters involving China are not discussed and the obstacle harming China's interests is not eliminated?

The remaining question is whether China's demand harms the interests of Vietnam, because Vietnam is obviously a third country at the Sino-Soviet talks. In fact, China is only demanding that the Soviet Union not support Vietnam in committing aggression against Cambodia and threatening China, and that it not affect peace and stability in Southeast Asia and Asia. This demand accords with elementary international principles. If it is said that this too harms the "interests" of a third country -- Vietnam -- then the only possible conclusion to be drawn is that allowing Vietnam to commit aggression against and threaten other countries is more in accord with Vietnam's interests! This really is absurd logic.

Vietnam has got into a deep quagmire in its aggression against Cambodia, and Soviet support for this Vietnamese aggression has also become a burden to itself. In demanding that the Soviet Union lay down this burden and help Vietnam extricate itself from the quagmire, China is truly acting in accordance with Vietnam's interests and is also taking account of Soviet interests.

To take this question further, many countries in Southeast Asia are deeply disturbed by Vietnam's threats to another third country -- Thailand -- in its aggression against Cambodia. Curbing Vietnam's aggression against Cambodia means eliminating the threat to Thailand and the disquiet in Southeast Asia; it accords with the interests of peace in Southeast Asia and the world and with the highest principles of international relations.

The Soviet media have also had something else to say on the question: Sino-Soviet discussions on the three obstacles apparently involve the internal affairs of a third country. To describe the three obstacles as internal affairs is speaking in inexplicable terms and is really too unrealistic. The study of one case will illustrate the point. At the conference of nonaligned nations, many countries demanded the withdrawal of foreign forces from Cambodia and Afghanistan and called for the peoples of these two countries to settle their problems themselves. This was stated in the conference resolution. Vietnam and Afghanistan are both members of the Nonaligned Movement, and both attended the conference. They said nothing about this statement interfering in their "internal affairs." It is evident that not even Vietnam and Afghanistan feel that the term "interference in internal affairs" is really appropriate.

The Soviet Union has conducted propaganda to the effect that in calling for the elimination of the three obstacles, China is setting "preconditions," and preconditions are practically unacceptable in international tasks. Nevertheless, it should be clearly stated here that so-called preconditions mean that talks can only proceed if certain conditions are met first. China and the Soviet Union are already talking. During the talks, China has proposed that, to attain the normalization of Sino-Soviet relations, the Soviet side must eliminate the three obstacles affecting normalization. The Soviet Union says that the three obstacles do not exist. This is precisely the substantive issue of the talks, and how can it be described as a "precondition"? Suppose two countries are talking, and one side waves a knife at the head of the other, saying, let us improve relations; and the other side says, put down your knife if you want to improve relations. Is this not precisely the content of talks on normalizing relations?

At this point, some people might say that China is right to demand the elimination of the three obstacles, but there will be difficulties in requiring a Soviet promise to do this all at the same time, and one should think how the Soviet side can do this. This is indeed true. However, the Chinese side has stated that if there are difficulties in eliminating the three obstacles together, they can start with the relatively easy and urgent one. For instance, choose one that is relatively easy to accomplish: The Soviet Union will no longer support Vietnam in committing aggression against Cambodia and threatening China. It will suffice if you stop providing money and arms. Can you do this?

Normalization of Sino-Soviet relations is the desire of the peoples of the two countries, and can only be accomplished through the efforts of both sides. The people are concerned over the contents and progress of the talks. Here we have made some analysis of the points revealed by the two sides. In doing so we precisely hope that the talks can yield fruit at an early date and that the friendly and good-neighborly relations between the two countries can be restored.

DELEGATION REPORTEDLY TO GO TO SEOUL ASIAN GAMES

OW111307 Tokyo KYODO in English 1304 GMT 11 Jun 86

[Text] Beijing, June 11 KYODO -- China will send a 550-member athletic delegation to the Asian Games in Seoul in September, Chinese sports sources said Wednesday.

DPRK, ROK MAKE PROGRESS AT OLYMPIC TALKS

OW120736 Beijing XINHUA in English 0643 GMT 12 Jun 86

[Text] Lausanne, Switzerland, June 11 (XINHUA) -- The third reunion meeting of the Democratic People's Republic of Korea and South Korea on jointly hosting the 1988 Olympics had made "important progress," according to the IOC president here today. Having presided over the two-day reunion meeting, Juan Antonio Samaranch, president of the International Olympic Committee, expressed his optimism by saying at a press conference that important progress had already been made. He said that an agreement was prepared and could expect to be reached as of June 30.

During the reunion meeting, the IOC proposed that two events of table tennis and archery should be staged in the DPR Korea while the Olympic cultural festival be co-hosted by both parties on the Korean peninsula in conjunction with the Olympiad. Representatives from both DPR Korea and South Korea had considered the IOC propositions and would notify the IOC of their acceptance in principle no later than June 30. Both parties had affirmed that they would guarantee a free access to the Olympic venues in either DPR Korea or South Korea to all IOC members.

The next reunion meeting will be held in July in Lausanne, according to Chin Chung-kuk, vice-president of the DPR Korean National Olympic Committee.

DPRK PAPER SAYS JAPAN DISTORTING HISTORY TEXTS

OW111006 Beijing XINHUA in English 0959 GMT 11 Jun 86

[Text] Pyongyang, June 11 (XINHUA) -- Korea has criticized the Japanese Education Ministry for distorting historical facts in compiling the history textbooks of middle and high schools. The criticism was made here today in an article in the paper "NODONG SINMUN". The article accused the Japanese authorities of prohibiting the use of the words "aggression" and "invasion" in the textbooks in dealing with the Japanese conquest of Asia in the past, adding that such prohibition is aimed at covering up Japan's past aggression against Asian countries including Korea. The distortion of historical facts should be rectified, the article pointed out.

PAPER VIEWS 'DEMOCRATIC MOVEMENT' IN ROK

HK101224 Beijing BAN YUE TAN in Chinese No 10, 25 May 86 pp 56-58

[Article by Zheng Baoqin: "Democratic Movement Pounding at Chon Tu-hwan's Rule"]

[Text] Since the beginning of this year, the South Korean people have launched mammoth mass movements to demand democracy and oppose autocracy, which have greatly pounded at the autocratic rule of Chon Tu-hwan.

On 12 February, the New Korea Democratic Party -- the largest opposition party in South Korea (with Yi Mun-u as its president and Kim Yong-sam as its permanent advisor) -- and the "Council for the Promotion of Democracy" (a mass organization with Kim Tae-chung and Kim Yong-sam as its premanent chairman) launched a "10-million-strong signature movement" for revision of the "constitution." After that, Yi Min-u, Kim Yong-sam, and Kim Tae-chung issued a joint statement, which put forth a schedule for political democratization in South Korea, demanding that the constitutional revision be completed and a "system of direct presidential elections" be established during this autumn. On 11 March, after the inaugural meeting of the "Seoul Branch of the Committee for Promoting Constitutional Revision" of the New Korea Democratic Party, more than 2,000 people held a demonstration, which, according to reports from foreign news agencies, was the largest political demonstration since Chon Tu-hwan assumed power in 1980.

South Korean university students are in the forefront of the movement to demand democratization. On 3 March, at the beginning of the new term, a movement to protest against the ruling authorities and to demand constitutional revision broke out in various universities. In mid-March, the students of Seoul University and Yonse University respectively held rallies and demonstrations on the campus to demand constitutional revision. More than 1,500 policemen entered the campus of Seoul University and arrested 9 students. However, the students were not frightened by the ruling authorities. They launched a more vigorous protest movement. During the last 10 days of March, more than 1,000 students of Konku University held a 3-day demonstration.

In the demonstration held during the last 10 days of April, the students at many universities demanded "withdrawal of the U.S. troops." opposed "nuclear bases and the Team Spirit military exercise," and advocated "signing a peace agreement with the North to substitute the cease-fire agreement." They ran into fierce conflict with the police. Seoul University students refused to undergo military training in the barracks. They shouted anti-U.S. slogans and put up a poster on which was written: "Better to oppose the United States and live than to rely on it and die." They also passed a letter of warning to U.S. President Reagan and burned Reagan in effigy. On 28 April, two students of Seoul University even burned themselves in protest.

Following are some characteristics of the South Korean people's struggle since beginning of this year:

1. Clear aims and sonorous slogans. The voices of "down with autocracy" and "strive for a democratic constitution" are in keeping with the aspirations of the majority of people.

2. The opposition parties made the constitutional revision a starting point and, under their leadership, pushed the signature movement forward from Seoul to other areas in a planned way and in an organized manner. By the end of April, the movement had won the support of more than 704,600 people. The opposition parties also combined their legal struggle with illegal struggles, forcing the South Korean authorities to yield inch by inch.

3. The young students voiced their support for the opposition parties. The students have not only demanded revision of the constitution and opposed the fascist rule, but also opposed the United States and refused to undergo military training. University professors and some clergymen also joined the struggle, making the struggle surge forward with great momentum.

The focus of the South Korean people's struggle at present is to demand revision of the existing "constitution" and direct presidential elections. According to the existing "constitutin," the "president" is granted extremely high authority. He has full authority over the administrative, legislative, and judicial departments and can appoint officials ranking from "prime minister" to "village office workers." He can dismiss the "parliament," but it cannot pass a vote of nonconfidence against the him. He has authority to announce a "state of emergency." The "parliament" and judicial departments are all under his control. The existing "constitution" also stipulates that the "president" is elected by the "electin group" formed by more than 5,000 people for a term of 7 years. Although Chon Tu-hwan said many times that he would step down from office when his term is up in 1988, people are still apprehensive that the "election group," which is controlled by the ruling clique, may replace him with his trusted follower in order to continue the autocratic rule. For this reason, the students and the opposition parties strongly demand the revision of the constitution and the direct presidential election by the people. The South Korean authorities put Kim Tae-chung and Kim Yong-sam under house arrest in February, searched the headquarters of the New Korea Democratic Party and the office of the "Council for the Promotion of Democracy," and arrested more than 100 people. However, all this cannot stop the surging tide of the people's struggle for democracy.

The Chon Tu-hwan clique used both hard and soft tactics. While suppressing the movements, Chon Tu-hwan personally hosted a luncheon for both the ruling and the opposition parties and discussed the problem of constitutional revision with them. He said that the constitutional revision should be carried out only after the year 1989 and that at present, what they should do just to establish a "special constitutional committee" to discuss the problem of revision of the "constitution." Due to the strong opposition of the students and the opposition parties, Chon Tu-hwan had no alternative but to make certain concessions, saying that if an agreement is reached by both the ruling and the oppsition parties in the parliament and a proposal is made, he will also agree to revise the constitution. But Kim Yong-sam pointed out that since the time and content of the constitutional revision are still not clear, the New Korea Democratic Party will not cease its struggle until Chon Tu-hwan gives a definite answer on the work schedule for democratization.

In their demonstrations, the South Korean people also proposed that the cease-fire agreement between the North and the South should be replaced by a peace agreement. Last year, both sides got into contact through various channels and at various levels. However, since this year, due to the military exercises dubbed "Team Spirit 86" and jointly held by the United States and South Korean troops beginning 10 February, the atmosphere of dialogue on the Korean peninsula has seriously deteriorated. The scheduled talks between the Red Cross of both sides, the economic talks, and the preparatory meeting for the parliamentary talks are still unable to be held even to this day. On 24 April, a North Korean trawler was sunk by a South Korean warship on the high seas. This aroused the great indignation of the North.

President Kim Il-song said in this year's New Year message that he will make positive efforts for the North-South summit talks. Chon Tu-hwan also said he hoped the talks at the summit can be realized in this year. However, the summit meeting requires a certain atmosphere and conditions. What the South Korean authorities are doing at present is obviously harmful to the improvement of relations between both sides. Therefore, they are strongly opposed by the people.

PHILIPPINE GENERAL MONTANO CITED ON PLOT

OW111541 Beijing XINHUA in English 1516 GMT 11 Jun 86

[Text] Manila, June 11 (XINHUA) -- A senior officer of the Philippine Armed Forces today confirmed a plan of loyal supporters of ousted president Ferdinand Marcos to seize the presidential palace and re-install Marcos as president.

Brigadier General Ramon Montano, chief of the Capital Region Command of the Philippine Armed Forces, also revealed a plot of the Marcos loyalists to foment trouble in tomorrow's celebration of the Philippines' independence day. He said his command is fieldng 10,000 soldiers to foil the plot. Montano said that Marcos Supporters planned to take over the palace in their demonstration on June 8 and that the scenario was for them to hold President Corazon Aquino as hostage. They would then force defeated vice-presidential candidate Arturo Tolentino to take his oath as vice-president and assume the functions of acting president before Marcos returns to the country, he added.

Montano said three active military loyalist generals, who were being keenly watched, had met with other loyalist military officers for implementing the plot. They were Brigadier General Edon Yap, former chief of the one-million strong Army Reserve Command who is married to a sister of former first lady Imelda Marcos, Brigadier General Rolando Pattugala, former chief of the Army's Second Infantry Division, and Brigadier General Tomas Dumpit, former chief of Regional Command No. 1, covering the Ilocos region. Montano said a plot of the Marcos loyalists, called "People's Power Part II", had been uncovered by intelligence operatives. The plot included kidnapping of key government officials, arson, bombing and continuing fomenting of civil disturbances.

LEADERS SEND CONGRATULATIONS TO PHILIPPINES

HK120643 Beijing International Service in Tagalog 1130 GMT 11 Jun 86

[Text] PRC President Li Xiannian has sent a congratulatory message to President Aquino of the Philippines to mark its independence day, 12 June. The message reads: On the occasion of the 88th anniversary of the independence of the Philippines, I, on behalf of the Chinese government and people as well as on my own behalf, extend our warm congratulations and sincere greetings to Your Excellency and to the entire Filipino people. I am pleased to see that the traditional friendship between the Chinese and Filipino people has further developed and cooperation between the two countries has strengthened since the establishment of the new Philippine Government. I believe that with the joint efforts of our two countries and people, our mutual friendship and cooperation will continue to grow and flourish. May the Filipino people achieve new victories in their economic recovery and nation building tasks. I hereby extend my warmest regards to your excellency."

At the same time, Vice President Ulanhu also sent a message to Vice President Salvador Laurel. The message reads: On the joyous occasion of the 88th anniversary of the independence of the Philippines, on behalf of the Chinese people and on my own behalf, I would like to extend warm and sincere greetings to Your Excellency and the Filipino nation. The Chinese and Filipino people have always been traditional friends and it is the common desire of both countries to develop friendly relations and cooperation. I look forward to your visit to China. May the Republic of the Philippines prosper and its people be happy!

FURTHER REPORTAGE ON HU YAOBANG'S EUROPEAN VISIT

Queen Elizabeth Hosts Luncheon

OW120012 Beijing XINHUA in English 2348 GMT 11 Jun 86

[Text] London, June 11 (XINHUA) -- Queen Elizabeth II today gave a luncheon in honor of the visiting Chinese leader Hu Yaobang at her London residence Buckingham Palace. Chinese sources disclosed that the queen said during the luncheon that she was expecting her forth coming visit to China scheduled in October this year and she expressed her belief that her visit to China would be a success.

Hu Yaobang, general secretary of the Chinese Communist Party, said he would be looking forward to warmly welcoming her majesty the queen in Beijing, the sources said. Hu briefed the queen on the present economic situation in China.

A spokesman of the queen's press office told XINHUA that the luncheon proceeded in a very "friendly and informal" atmosphere. The spokesman said that an advance party would go to China in July to make arrangements for the queen's October visit.

Among those present at the luncheon were Vice-Premier Li Peng, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference Fei Xiaotong as well as the Queen's sister Princess Margaret.

Hu Hosts Dinner for Thatcher

OW120106 Beijing XINHUA in English 0055 GMT 12 Jun 86

[Text] London, June 11 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang gave a return dinner here tonight in honour of British prime Minister Margaret Thatcher to express his gratitude for the hospitality he received during his visit here. Hu will leave here for Bonn tomorrow to continue his 16-day: four-nation European tour after concluding a four-day visit here during which he held talks with Mrs Thatcher on a wide range of bilateral and international issues.

Among the British guests at the dinner were Mrs. Thatcher's husband Denis Thatcher, Employment Secretary Lord Young, Defense Secretary George Younger and Speaker of the House of Commons Bernard Weatherill. Also present at the dinner was 92-year-old former British Prime Minister Harold Macmillan.

Vice-premier Li Peng and Fei Xiaotong, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended the dinner in the Chinese Embassy.

Earlier, Hu met with David Steel, leader of the British Liberal Party and briefed him on the political and economic situation in China.

Meets Communist Party Leader

OW120112 Beijing XINHUA in English 0106 GMT 12 Jun 86

[Text] London, June 11 (XINHUA) -- Hu Yaobang, general secretary of the Communist Party of China, met here this evening with Gordon Mclennan, general secretary of the Communist Party of Great Britian.

Hu said he was glad that the two parties resumed their links after their relations were suspended for more than two decades.

McLennan congratulated Hu on his fruitful visit to Britain and wished him a success in his visits to Federal Germany, France and Italy on his current 16-day European tour. The two general secretaries expressed their common aspirations to further develop the friendly relations and cooperation between the two countries and the friendship between the two peoples.

Holds London Press Conference

OW120016 Beijing XINHUA in English 2339 GMT 11 Jun 86

[Text] London, June 11 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Communist Party of China, said this afternoon that China has changed the view it held more than ten years ago that a world war was inevitable. The Chinese leader was speaking at a press conference here 14 hours before he ends his four-day visit to this country.

Answering a question about what led China to this shift of policy, Hu said, "This is an assessment we have reached in light of the changes in international developments in the past decades, particularly in the past ten years and more. The forces safeguarding peace all over the world in the past ten years have grown considerably." "Both the countries and people in Europe including Western and eastern Europe, do not want to see the outbreak of a new world war," he noted. He said, "by pursuing a foreign policy of peace and independence, China can contribute its share in safeguarding world peace."

Referring to bilateral relations, he said he is more confident about the bright prospect of Sino-British relations after his visit to Britain. During the short visit, Hu said, "I am deeply aware that personages both in and out of the government as well as the British people all cherish sincere desire to further develop friendly relations and cooperation with China. All this has made me more confident about the bright prospect of Sino-British relations."

Vice-Foreign Minister Zhou Nan also answered a question about the progress and efforts of the commitment of both the Chinese and British Governments to the implementation of the Hong Kong agreement. Zhou said, "In the past year since the signing of the Sino-British joint declaration on the question of Hong Kong, the agreement has been on the whole implemented satisfactorily thanks to the efforts by both sides." "The Chinese Government is determined to fully implement the Sino-British joint declaration to the letter and it is our belief that this conviction of ours is shared by the British Government," Zhou emphasized.

Discusses Development, Arms

OW111208 Beijing XINHUA in English 1156 GMT 11 Jun 86

[Text] London, June 11, (XINHUA) -- General Secretary of the Central Committee of the Chinese Communist Party Hu Yaobang said today that the first thing China will do in decades to come is to concentrate on economic development. In a speech delivered at the British Royal Institute of International Affairs, Hu said China lacks funds in launching the modernization drive and it is hardly possible to spend heavily on expanding military forces.

The speech, entitled "Key to an Understanding of China's Trend of Development", also deals with the relationship between national defence and economic development. "The right thing for us to do is to concentrate on economic development and gradually improve people's livelihood, and on that basis, to strengthen our defence capabilities step by step," Hu said.

The general secretary reiterated China's opposition to arms race. "We shall never become a party to the arms race," he pledged.

On the danger of a new world war, he said China can only do two things within the limits of its capabilities: "First, we should maintain adequate defence capabillity; second, we should also keep a watch on and study the advanced defence means of the world."

"It is also necessary for us to import some advanced military technologies with the sole purpose of strengthening our defence capability," he said. However, according to Hu, China is not going to spend its limited amount of foreign exchange on heavy purchase of military hardware.

On possible foreign attack, Hu said, "We are confident and capable of defending our motherland. It is on this conviction that the Chinese Government made the decision in June last year to cut the size of its armed forces by one million." In recent years the proportion of China's defence expenditure in its national budget has been reduced annually, he added.

Answers Questions From Audience

OW112126 Beijing XINHUA Domestic Service in Chinese 1648 GMT 11 Jun 86

[By reporters Yu Jiafu and Su Jinhu]

[Text] London, 11 Jun (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, answered questions from the audience at the Royal Institute of International Affairs at noon today after delivering a speech there. He said; China resolutely maintains that the Soviet Union should withdraw its troops from Afghanistan and stop supporting Vietnam's aggression against Cambodia. He emphatically pointed out; This unjust war, which has brought disaster to the people, should be ended, and the Soviets will have no way out if they continue the war. His words brought warm applause from the audience.

Someone in the audience stood up and asked Hu Yaobang to discuss the question of China's decentralization of power. Hu Yaobang said: In the last few years, we have firmly carried out a reform of the economic structure. An important part of the reform is to streamline administration and decentralize power. This policy has yielded good results and won approval from the great majority of the Chinese people. Of course, there are a small number of cadres who are unwilling to delegate power to lower levels. This problem is caused by lack of understanding and by force of habit. However, they are not fundamentally opposed to reform. This problem can be solved only by the method of persuasion and education. We will continue the policy of streamlining administration and decentralizing power and strive to make it perfect.

Hu Yaobang said; I can tell our friends frankly that in the course of reform, our economic reforms have not stopped, nor gone backward. Like when driving a car, we had been going 80 miles per hour the past few years. Now we have slowed down to 60 miles per hour. After a few years, we will drive the car at 80 miles per hour.

Asked if China will agree to the Dalai Lama's return to China, Hu Yaobang said: We have always welcomed his return. We will make very proper arrangements for his life and job in accordance with the wishes of th broad masses of Chinese people. He said; We will persuade our people and the members of democratic parties to give the Dalai Lama preferential treatment for his life and work as much a possible.

When someone asked about the human rights question, Hu Yaobang said: "I can tell our friends responsibly that no one has been put into prison since the end of the 'Cultural Revolution' because of his different political views. Only those who violated law are imprisoned according to law." This reminds me of a saying by Montesquieu in the French Enlightenment, that freedom means the right to do things that the law allows.

Hu Yoabang also asked Fei Xiaotong, vice chairman of the CPPCC National Committee, to answer questions from the audience about China's rural policies and family planning.

Callaghan, former British prime minister, who chaired the discussion, said at the close of the meeting: "The frank and open style of the Chinese Communist Party leaders in discussion displayed by Hu Yaobang has made a very deep impression on us."

Roundup of Activities in UK

OW121012 Beijing XINHUA in English 0945 GMT 12 Jun 86

["Roundup: Future Change of Leadership Will Not Alter China's Reform, Hu Yaobang Says" -- XINHUA headling]

[Text] London, June 11 (XINHUA) -- Visiting Chinese leader Hu Yaobang reaffirmed today that any future change in China's leadership will not alter the country's course of reform, opening to the outside world, and pursuing an independent foreign policy of peace.

"China's basic national policy in this century and the next boils down to two points: first, to promote a sustained and steady growth of China's economy by the execution of the policy of reform and opening to the outside world; and second, to ensure that China concentrates on development without interruption by pursuing an independent foreign policy of peace," he said.

"If these points are grasped, one will have the key to an understanding of China's trend of development," Hu told an audience at the British Royal Institute of International Affairs here today.

In his speech, Hu emphasized that China's basic state policy "will not change along with any change in our leadership." This is because "our policies have already brought the people substantial benefit, thus winning the wholehearted endorsement and support of the overwhelming majority of the Chinese people," he said.

Secondly, "our policies are not determined by a certain individual but are the crystallization of collective wisdom."

Thirdly, with the further development of socialist democracy and the legal system, China "will be able to effect the sustained and steady implementation of a whole set of correct policies and guidelines," he said.

Finally, he stressed, the promotion of young people to leading posts "is of great importance to the vitality of our cause and the continuity of our policies and guidelines."

Replying questions from the audience, Hu said China will continue streamlining administration and decentralizing power, which he termed as "one of the most important factors" in the country's on-going reform. "I can tell our friends frankly that China's economic reforms will not stop, let alone go backward," he said. "Like driving a car," he continued, "we had been going 80 miles an hour in the past few years, now we have slowed down to 60 miles. After a couple of years we will again ride the car at 80 miles an hour."

Asked if the Dalai Lama would return to China, Hu Yaobang said, "We have always welcomed him to return," and "we will also pursuade our people and democratic party members to give the Dalai Lama preferential treatment for his life and work." The Dalai Lama, the former religious leader of Tibet, has been in a self-imposed exile in India since an unsuccessful military rebellion against the central government in 1959.

In his speech entitled "Key to an Understanding of China's Trend of Development," the Chinese leader also gave assurances that China's independent foreign policy of peace "will remain unchanged despite any sudden turn of international events."

Summing up China's foreign policy, Hu said, "First we support everything that is in the interests of world peace and stability. We oppose all acts of hegemonism, no matter who practises them and whatever form they take." "Secondly, China will never attach itself to any superpower, nor will it enter into an alliance with either side... and thirdly, China firmly sides with Third World countries and stands for fairness and justice."

Hu exphasized that China is determined to make joint efforts with the people of the world to prevent the outbreak of war in this century and the next. "It would be best if war never breaks out," he said.

Speaking at a press conference later, Hu said that China has changed the view it held more than 10 years ago that a world war was inevitable. The change has come about "in light of the changes in international developments in the past decades, particularly in the past ten years and more," he added. During that period, he said, the forces favoring peace all over the world have grown considerably.

Chinese Vice Foreign Minister Zhou Nan, who is accompanying Hu on the current tour, also told the press conference that the Sino-British declaration on the question of Hong Kong. "It is our belief that this conviction of ours is shared by the British Government," he added.

At a luncheon to honor the Chinese guests today at the Buckingham Palace, Britain's Queen Elizabeth II said that she was looking forward to her forthcoming visit to China in October and hoped that the visit would be a success. During the luncheon which, according to a spokesman for the queen's press office, proceeded in a very "friendly and informal" atmosphere, General Secretary Hu briefed the queen on the present economic situation in China and said he welcomed her to visit his country in the fall. The spokesman said that an advance party would go to China in July to make arrangements for the queen's October visit.

Hu gave a dinner for British Prime Minister Margaret Thatcher this evening, and later met with British Communist Party Leader Gordon McLennan.

Hu leaves here tomorrow for Bonn to continue a 16-day European tour that will also take him to France and Italy.

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Hu leaves here tomorrow for Bonn to continue a 16-day European tour that will also take him to France and Italy.

Ends UK Visit, Leaves for Bonn

OW120742 Beijing XINHUA in English 0733 GMT 12 Jun 86

[Text] London, June 12 (XINHUA) -- Chinese Communist Party Leader Hu Yaobang left here this morning for Bonn after winding up his four-day official visit to Britain. During the visit, General Secretary Hu Yaobang and Prime Minister Mrs. Margaret Thatcher held talks on international and bilateral issues. Vice Premier Li Peng and Fei Xiaotong, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, who are accompanying Hu on the visit, also entered into contacts with people of various circles in the country.

Hu and his entourage were seen off at the Heathrow Airport by Tim Renton, minister of state for foreign and commonwealth affairs. The Chinese leader's 16-day West European tour will also take him to France and Italy.

Arrives in Bonn 12 June

OW120802 Beijing XINHUA in English 0751 GMT 12 Jun 86

[Text] Bonn, June 12 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Communist Party of China, arrived here at 09:33 (local time) from London for an official visit to Federal Germany. This is the second leg of Hu's 16-day four-nation West European tour, which will also take him to France and Italy. An official welcoming ceremony to be presided over by Federal Chancellor Helmut Kohl will take place later. During his visit to Federal Germany, Hu is expected to meet Kohl and Willy Brandt, chairman of the Social Democratic Party of Germany, for talks on major international issues and bilateral relations.

Issues Arrival Statement

OW120946 Beijing XINHUA in English 0936 GMT 12 Jun 86

[Text] Bonn, June, 12 (XINHUA) -- Chinese leader Hu Yaobang flew in today to start a five-day official visit to Federal Germany "to enhance friendship and long-term cooperation and maintain peace." In a written statement issued at the airport, Hu said he looked forward to talks with Federal Chancellor Helmut Kohl and Social Democratic Party Chairman Willy Brandt on international issues of common concern as well as bilateral relations. He expressed his belief that his visit will be crowned with success.

Two-day trade between China and Federal Germany reached about three billion U.S. dollars last year, nearly 10 times that of 1972. Cooperation is also expanding in the fields of science and technology and culture.

Hu and his entourage were greeted by Friedrich Vogel, minister of state of Federal Chancellor's office, and Brandt, as his special plane touched down at the Cologne-Bonn airport at 09:33 a.m. (local time).

Hu, general secretary of the Central Committee of the Chinese Communist Party, will be accorded a red-carpet welcoming ceremony by Chancellor Kohl at 10:00 (local time). Later Hu is expected to hold talks with Brandt, and visit the land North Rhine-Westphalia. In the evening, Hu will be the guest of honor at a banquet given by Johanness Rau, minister-president of the land government.

LIAOWANG Comments on Visit

HK120148 Hong Kong LIAOWANG in Chinese No 23, 9 Jun 86 pp 3 4

[Article by Yu Jiafu: "Hu Yaobang's Visit to Western Europe in Early Summer"]

[Text] General Secretary Hu Yaobang will begin his visit to the United Kingdom, the FRG, France, and Italy on 9 Jun. This will be the first visit ever paid by a general secretary of the CPC to Western European countries.

During his 2-week visit (9-23), General Secretary Hu Yaobang will hold discussions with the leaders of the four Western European countries on the long-term and stable cooperative relations between China and Western Europe, with a view to promoting understanding, strengthening friendship, expanding cooperation, and preserving peace.

The countries of Western Europe have conducted active diplomacy in recent years in promoting the development of a multipolar world. They attach great importance to the position and role of China in the cause of worldpeace.

China and Western Europe occupy decisive positions in international affairs. In the present international situation, the strengthening of ties between China and the countries of Western Europe and the development of bilateral and multilateral relations between them will have a major impact on preserving world peace and security.

China is pursuing a foreign policy of independence and peace and striving for a long-term peaceful environment with a view to bulding socialism with Chinese characteristics. China has emerged as an important force to safeguard peace and prevent war. Meanwhile, Western European countries which are earnestly looking forward to the relaxation of the tense international situation in the interests of their own prosperity, are another important force for safeguarding peace and preventing war.

Relations between China and the countries of Western Europe are currently in a period of smooth development. Not only do the two sides have no fundamental conflict of interests; they also hold common or similar view on certain major international issues. Each side understands its own international responsibilities and weight, and holds that the adoption of a stand of acting independently and keeping the initiative in one's own hands is most beneficial for world peace and stability. The significance of boosting ties of friendship and cooperation in all fields between China, which acts independently and keeps the initiative in its own hands, and Western Europe, which has strengthened itself through forging unity, far transcends the framework of their bilateral relations.

Some statesmen of deep insight have presented the idea that the cooperation between China and Western Europe should be "oriented to the needs of the 21st century." The discussion on this idea to be made during General Secretary Hu Yaobang's forthcoming talks and meetings with the leaders of the governments and important political parties of the four Western European countries is bound to draw extensive attention.

General Secretry Hu Yaobang is to hold talks with British Prime Minister Mrs Thatcher in London at her invitation. He will be visiting the FRG as the guest of Chancellor Helmut Hohl and Willy Brandt, chairman of the Socialist Democratic Party. He will be warmly entertained by President Francois Mitterrand in France.

And he will also visit Italy as the guest of Bettino Craxi. In Rome, General Secretary Hu will pay a return visit to the Italian Communist Party at the invitation of ICP Secretary General Alessandro Natta.

During his visit, General Secretary Hu Yaobag will also meet with political parties leaders in the countries concerned. This indicates that China's political relations with these countries is getting more and more mature. People will see that to develop friendly ties with China is the common desire of the governments and the public in all Western European countries.

While establishing and developing friendly relations with the communist parties of all countries, the CPC has also established and developed ties with socialist parties, social democratic parties, and the labor party. The CPC has received a political delegation from the French Socialist Party headed by Francois Mitterrand and a delegation from the German Social Democratic Party headed by Willy Brandt. The Chinese leaders established ties with the British Labor Party and the Italian Socialist Party long ago. This intercourse which "transcends ideological differences and is aimed at enhancing mutual understanding and cooperation" has expedited the development of China's relations with these countries and enhanced the mutual understanding between the different peoples.

With regard to economic relations, there is a long history of trade between China and the countries of Western Europe. All the four countries that Hu Yaobang is going to visit this time are members of the European Community. Since China established official relations with the European Community in 1975, great progress has been made in trade and economic cooperation between the two sides. The gross import and export volume between China and the members of the European Community amounted to $7.3 billion in 1985, an increase of 200 percent over $2.4 billion recorded 10 years ago.

At the same time, the investment in China made by entrepreneurs from the above four countries has also increased drastically in recent years. For example, the number of joint ventures set up with Chinese and British capital in China has increased to 13 so far.

However, enormous potential has yet to be tapped of the economic relations and trade between China and the above four Western European countries. China's good poltical relations with these four countries have served as a solid foundation for bilateral economic cooperation.

Among the official members of General Secretary Hu Yaobang's entourage are Li Peng, vice premier of the State Council; Fei Xiaotong, vice chairman of the CPPCC National Committee; Zhu Liang, head of the International Liaison Department of the CPC Central Committee; Zhou Nan, vice minister of foreign affairs; and Zheng Bijian, special assistant to general secretary. Li Peng visited the United States with President Li Xiannian last year. Like he has usually done before, he will, during the forthcoming trip to Western Europe, meet with the economic circles of different countries, try to keep abreast of the current economic and technological developments in the Western World, and brief foreign friends on the progress China has made in construction. Fei Xiaotong is a well-known Chinese sociologist. This will be the first time for him to accompany a general secretary of the CPC traveling abroad. Apart from attending some official activities, he will also meet with people of the Western European intellectual circles and exchange with them the experiences in the study of sociology and other social sciences.

During his current visit to Western Europe, General Secretary Hu Yaobang will brief the governments and peoples of the four Western European countries on the basic policies that China is currently implementing, such as the foreign policy of independence and peace, that of opening to the outside world and enlivening the economy at home, and soon. He will also elaborate on some major international issues. His important speeches and talks will draw public attention. Besides, Hu Yaobang will also meet with representatives of the Overseas Chinese community during his visit and give them the Chinese compatriots' sincere regards.

The United Kingdom will be the first stop of Hu Yaobang's trip to Wester Europe. The relations between China and Britain are being upgraded since the Hong Kong issue has been solved satisfactorily between the two countries. Apart from holding talks with Mrs Thatcher, Hu Yaobang will also meet former British prime Minister Edward Heath, Labor Party leader Neil Kinnock, and other personages. This shows that the Sino-British friendship has a broad basis.

To sum up, General Secretary Hu Yaobang's trip to the four Western European countries is bound to inject new vitality into the full-scale development of political, economic, anc cultural cooperation between China and these countries and proceed forward to a new stage in their friendly relationship which is of great significance. It will thus contribute to preserving world peace.

BOTB CHAIRMAN URGES MORE TRADE WITH CHINA

OW081413 Beijing XINHUA in English 1340 GMT 8 Jun 86

[Text] London, June 8 (XINHUA) -- Lord Jellicoe, chairman of the British Overseas Trade Board (BOTB), has urged British firms to take advantage of the "excellent" relations between Britain and China to extend the United Kingdom's trade links with China. The BOTB is an important organization which guides and directs the export promotion services of the department of trade and industry. At a conference sponsored by the Confederation of British Industry (CBI) Friday, Lord Jellicoe stressed that although China is not "the easiest market to break into," there are many "worthwhile opportunities in this young market for those companies with the right product or technology at the right price."

He gave example of some of the sectors in which Britain was well-placed to boost its trade. These included the oil and gas industries, transport (notably railways and ports), telecommunications, steel and aluminium, agriculture and food processing. "Some UK companies have won important orders in the last year in these sectors," he said, adding "but more needs to be done."

Lord Jellicoe expressed his understanding for China's emphasis on promoting exports and limiting imports to essential equipment which cannot be manufactured in China itself, and stressed that "this still presents a wealth of opportunities" for British companies. "The current political and economic situation in China is favourable to extending the UK's trade links" with China, and relations between the two countries are "excellent", he said.

The chairman urged British companies to take advantage of government assistance in the form of BOTB supported fairs and missions to China, and the information and advice available from the Sino-British Trade Council, one of the board's area advisory groups. According to the British trade organization Britain exports to China in the first quarter of 1986 totalled 156 million pounds, and imports from China amounted to 101 million pounds. Last year, British exports to China reached 396 million pounds and imports from China totalled 308 million pounds

PRC NATIONAL AFFAIRS

1,000 YOUTHS CORNER POLICE JEEP IN BEIJING

HK111058 Hong Kong AFP in English 1055 GMT 11 Jun 86

[Text] Beijing, June 11 (AFP) -- A crowd of up to 1,000 Chinese youths cornered a police jeep here for nearly two hours, chanting and threatening to overturn it, after a policemen allegedly struck a motorcyclist detained for a traffic violation, an eye-witness said Wednesday. The witness said the incident occurred on a main road in northwestern Beijing late Monday night.

He was told by onlookers that the policeman had hit the motorcyclist with his hand after the two had quarreled and that the crowd was demanding justice. Policemen inside the jeep radioed for help, but reinforcements did not arrive for more than an hour.

Meanwhile the crowd, which had grown to about 1,000 people and blocked traffic on the road, jeered and shouted, threatening at one point to overturn the vehicle, the witness said.

"Four other jeeps arrived and more than a dozen policemen tried to push the crowd back but they refused to move. When the policemen shouted 'get back' the crowd took up the same call to make fun of them," the witness said. A policeman who attempted to photograph the crowd was also greeted with derisive shouts of "take pictures, take pictures," the witness recalled.

Police eventually managed to release their colleagues about midnight by standing well back from the jeep and discussing the problem with members of the crowd who, temporarily diverted, were unable to prevent the vehicle's escape.

The rescue squad quickly returned to their jeeps and sped off as the crowd -- which included both male and female workers and students -- howled in mock imitation of thee poilice sirens, the witness said.

Police officials could not immediately be reached for comment about the incident.

The incident occured in Haidian district, an area of numerous universities and research institutes, where students implicitly challenged police authority during anti-Japanese demonstrations late last year. A north African student was beaten in the same area two weeks ago while a crowd shouted approval and police passed by without taking any action. Beijing residents can occasionally be heard complaining about the poor attitude of the city's police, though the complaints are only very rarely mentioned in the official press.

100 PEOPLE PUNISHED FOR PORNOGRAPHY ACTIVITIES

HK111547 Hong Kong AFP in English 1523 GMT 11 Jun 86

[Text] Beijing June 11 (AFP) -- Almost 100 people have been punished for showing, watching or selling pornographic video films in northeastern China, a newspaper from the region has reported.

Police in Heilongjiang had recently arrested seven people, sent 10 to work camps and placed some 30 in detention for showing the tapes, watching them, or copying and re-selling them, a Heilongjiang newspaper received here Wednesday said.

A further 48 people had been otherwise punished, the report said, but did not give further details.

Four employees at a local school had forced a young woman into the home of one of them and raped her after watching a pornographic video in April, the report added. Similar cases were reported almost daily in the Chinese press last year.

'BEIJING SPRING' DISSIDENT SAID IN GOOD HEALTH

HK110850 Hong Kong AFP in English 0834 GMT 11 Jun 86

[By Pierre-Antoine Donnet]

[Text] Beijing, June 11 (AFP) -- The administrator of Beijing's number one prison Wednesday denied reports that one of China's most prominent dissidents was in solitary confinement in a windowless cell.

Xu Wenli, 42, is in good health and gets the same treatment as the some 30 "counter-revolutionary" and 1,900 common law prisoners detained at the prison, administrator Xing Zhonghe told AGENCE FRANCE-PRESSE.

Last month, a reliable Chinese source said Mr Xu, one of the main activists in the "Beijing Spring" democracy movement which flourished briefly in 1979, had been isolated in a windowless cell as punishment for the publication of his memoirs in the west.

The dissident, sentenced to 15 years in jail in 1981, had been denied visits even from his family since late last year and kept alone in the cell to which the sole entrance was a trapdoor in the ceiling, the source said.

In one of the first official statements on the fate of a Beijing spring dissident, Mr Xing said: "I personally haven't seen him since last year, but he is in very good health."

The prison director said that Mr Xu's wife and daughter were permitted to visit him, but that he was unable to say if they had visited him this year. "The question is too specific," he said.

"Counter-revolutionaries get the same treatment as common law prisoners. They sleep in the same cells as the others and take part in the collective labor which forms the basis of 'reform through labor'," Mr Xing said

In exceptional circumstances "bad elements" were put in solitary confinement for periods which ordinarily would not exceed a week, Mr Xing said. Mr Xu's behavior in the southern Beijing prison had been "not particularly bad," he said.

While refusing precise comment on when the dissident might be freed, he said: "If Xu Wenli strictly obeys prison rules, he could be released before his sentence is up like any other prisoner."

Mr Xing could not confirm if Mr Xu was working alongside other prisoners who could be seen Wednesday in the prison factory making sandals and socks.

The director, who heads the party committee in the prison, refused a request for an interview with the dissident, saying it "was not necessary" and that prison rules barred prisoners from receiving visits other than from close family members.

In his memoirs published last year by the human rights organization Amnesty International -- and subsequently in Chinese dissident journals published abroad -- Mr Xu described in detail his interrogation and trial. He did not complain in the 262-page handwritten document of being physically maltreated, but said he had had to undergo 200 interrogation sessions and that in prison he could hear "screams of people being struck or given electric shocks." He atrributed his heavy sentence to his refusal to acknowledge his "errors" and to the fact he had demanded that the trial judge step down because he had prejudged the case.

Mr Xu was one of the more moderate of the Beijing Spring activists and did not question the legitimacy of the rule of the Chinese Communist Party.

An electrician by trade, he became editor of the now banned APRIL 5th FORUM, which took its name from the April 5, 1976, riots in Beijing's Tiananmen square which erupted in protest against the radical "gang of four."

Mr Xing said that Wei Jingsheng, the best known and most critical of the "Beijing Spring" activists arrested in 1979, was not being held in Beijing's number one prison and that he knew nothing about his fate. According to generally reliable Chinese sources, Mr Wei has been on a hunger strike for some time and is being force-fed by guards. The report could not be confirmed.

Chinese authorities said last year that Mr Wei was in good health in a labor camp in the northwestern province of Qinghai.

Mr Wei's arrest in March 1979 marked the beginning of a drive to crush the movement which publicized its views in posters hung in central Beijing on what became known as "democracy wall." The movement, which initially received support from current leader Deng Xiaoping, was crushed when the new regime began to perceive it as a threat to its authority.

HUNAN HOSTS MEETING ON WRITER DING LING

HK070515 Changsha Hunan Provincial Service in Mandarin 0900 GMT 6 Jun 86

[Text] An academic discussion meeting to mark the 60th anniversary of Ding Ling's first work opened in her hometown, Changde City, on 6 June. Wang Xiangtian, member of thee Standing Committee of the provincial CPC Committee and vice governor; responsible comrades of departments concerned including the propaganda department of the CPC Central Committee, the Association of Chinese Writers, the Propaganda Department of the provincial CPC Committee, and the provincial Literature and Art Federation; Chen Ming, Ding Ling's husband; famous writers including Wei Wei, Yan Chen, Lu Fei, Luo Binji,Chen Dengke, Lei Jia, and Zhou Liangpei; and experts, scholars, and professors from tertiary education institutes and research organs from 21 provinces, municipalities, and autonomous regions, totalling over 100 persons, attended the opening ceremony.

The central topic of this meeting is "Ding Ling and Literature in New China." Centered on this topic, the experts will discuss Ding Ling's writings over 60 years, probe her road of revolutionary literature, sum up her abundant creation experiences, and further study her place in the Chinese revolution and the history of literature. The forum will stimulate the current development of socialist literary creation and criticism by reference to her creation experiences. The forum will also raise Ding Ling studies to a new level.

CIRCULAR STRESSES IDEOLOGICAL, MORAL EDUCATION

OW260916 Beijing XINHUA in English 0700 GMT 26 May 86

[Text] Beijing, May 26 (XINHUA) -- The State Education Commission called on primary schools to offer a course on communist ideology and morality, the PEOPLE'S DAILY reported today.

In a circular issued in mid-May, the commission indicated that the course will teach school children to love the country, people, labor, science and public property, and enable them to fully develop morally, intellectually, physically and aesthetically. It is a major mark of education in a socialist country and must be offered by every school, the commission said.

The commission explained that with the increase of one-child families, it is important to teach the only child to form a correct attitude towards labor, to be hardworking, thrifty, self-managed and willing to help others, and to have the ability to distinguish clearly between right and wrong and between good and evil.

GOOD SUMMER HARVEST EXPECTED DESPITE STORMS

OW070811 Beijing XINHUA in English 0649 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- Chinese meteorologists expect a good summer harvest this year despite the drought, floods and hailstorms that battered the countryside this spring, according to today's overseas edition of the PEOPLE's DAILY.

Critical to the success of the harvest -- which runs from late May until July -- will be good weather in major growing areas over the next few days, said the Communist Party newspaper. Leading the harvest this summer will be food grains and crops used to make vegetable oils.

Overall, the paper quoted the meteorologists as saying the weather this year has been "normal" in terms of temperatures and rainfall.

Asked about the record heat in northern China, especially in Beijing -- where the thermometer hit 39 degrees centigrade on June 2 -- the experts said it would have little effect on the crops.

But they said damage caused by hailstorms and cold weather has been severe. Hailstorms hit more than 300 counties and cities in 24 provinces and autonomous regions, and cold weather and snow from February to early May spoiled crops in part of Sichuan, Yunnan, Fujian and Jilin Provinces, the paper said. In addition, drought and floods affected parts of Hubei, Hunan, Guizhou, Guangdong Provinces and Guangxi.

JIEFANGJUN BAO ON COMPROMISE IN CONTRADICTIONS

OW080305 Beijing Domestic Service in Mandarin 2130 GMT 7 Jun 86

[Text] In an article in its Sunday Column of Commentaries, JIEFANGJUN BAO emphasized that there is another approach to resolving contradictions, which is to compromise.

The article points out: It has been consistently held that the only way to deal with a contradiction or problem is by exposure and criticism and not by compromise. This is a one-sided view. It is not right, of course, to avoid dealing with contradictions concerning ideology and politics. But, with regard to those contradictions that have nothing to do with the whole situation, it is not really necessary to feel that the only way to deal with them is to bring them out into the open in order to find where the fault lies.

The article holds that: We should do our best to prevent contradictions between people from becoming intensified. We should clearly see that, when dealing with those contradictions that have nothing to do with principles but with differences of opinions about work or trifles, we must seek to compromise where compromise is called for.

CONFERENCE DISCUSSES RESETTLEMENT OF PLA VETERANS

OW081700 Beijing XINHUA in English 1205 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- China has resettled more than one million Army officers who were transferred to civilian work since 1975, Minister of Labor and personnel Zhao Dongwan said here today.

Speaking at a national conference on the placement of Army officers transferred to civilian life which opened here this afternoon, the minister also disclosed that of the one million servicemen the Chinese Government decided to cut last June, nearly half are officers. He described the placement of demobilized Army officers as a long-term task with great political significance, adding that the proper arrangement of these officers in the past few years had contributed to the modernization of the Armed Forces and provided local governments with a large number of experienced and capable cadres.

According to reports by local governments, he said, more than 20 percent of the army officers under the battalion level transferred to civilian work since 1975 have been promoted to higher posts and 173 have been named national model workers.

Local governments at various levels have paid much attention to the training of these officers while finding new jobs for them, Zhao added. Since 1982, 52 percent of those transferred to civilian life have received training of various types and 85 percent of those returned to civilian life last year attended training classes.

These training programs helped the Army officers require [as received] knowledge useful to civilian work and enabled them to adjust quickly to their new jobs, he said. The minister pointed out that this year is crucial to the resettlement of the one million demobilized servicemen.

More than 350 people from across the country attended the conference at which advanced units and individuals engaged in the work will be commended.

[Beijing XINHUA Domestic Service in Chinese at 1332 GMT on 8 June transmits a similar report on the meeting. According to this report, Xu Xiangqian, Nie Rongzhen, Yang Dezhi, Song Renqiong, and Zhang Aiping wrote inscriptions to greet the meeting. Zhou Keyu, deputy director of the General Political Department, spoke at the meeting. He thanked the government departments at all levels for the veteran placement work and extended his regards to all Army veterans.]

Resettlement Said 'Completed'

OW112156 Beijing XINHUA Domestic Service in Chinese 1318 GMT 11 Jun 86

[By reporter Meng Yumin]

[Text] Beijing, 11 Jun (XINHUA) -- The task of resettling Army cadres transferred to civilian work in the first year of PLA's organizational reform and strength-reduction reorganization has been successfully completed. In 1985, the total number of the Army cadres transferred to civilian work who were accepted and resettled by various localities in China accounted for 99.8 percent of the planned figure.

According to information released by a national conference on placement of Army cadres transferred to civilian work which opened today, since Comrade Deng Xiaoping announced in June 1985 that the Chinese Government had decided to reduce the PLA's strength by 1 million troops, the Leading Group for Placement of Army Cadres Transferred to Civilian Work under the State Council has held meetings and assigned to all localities in the country the task of resettling Army cadres transferred to civilian work. Local party committees and governments at all levels have seriously resettled the Army cadres transferred to civilian work and regarded the work as an action to implement the central authorities' strategic decision and support the PLA's organizational reform and strength-reduction reorganization. The departments at all levels in charge of placement of Army cadres transferred to civilian work have actively explored new methods and ways and taken various actions to promote the placement. Many localities have successively held "recommendation meetings," "pre-placement consultations" and "meetings on exchange of specialized technical cadres," increased resettlement channels, and expedited the placement. In order to properly resettle division-level and regiment-level Army cadres, some units even reserved some posts in their leading bodies for the Army cadres when the leading bodies were readjusted. A large number of specialized technical Army cadres tarnsferred to civilian work have been properly placed.

Over the past year, new progress has been made in providing training to Army cadres transferred to civilian work. All localities have generally set up training organizations and conducted the training on the principle of training before placement and learning what the job needs. Of the Army cadres transferred to civilian work, 65 percent have been given various specialty training. At present, local training facilities are becoming more permanent and concentrated, training centers run by colleges and schools are gradually replacing the training classes run by the departments in charge of Army cadre resettlement, and the training is gradually reaching an advanced level.

In order to solve housing and other problems for the Army cadres transferred to civilian work, many localities are curtailing expenditures to make more funds available for resettling the Army cadres. The provincial-level allocation for housing construction alone totalled nearly 100 million yuan. The Army cadres transferred to civilian work have been for the most part accepted and resettled together with their dependents at the same time.

DENG YINGCHAO VISIT WITH XIAN COMRADES REPORTED

HK030433 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 1 Jun 86

[Text] CPPCC National Committee Chairman Deng Yingchao left Xian for Beijing 1 June. Comrade Deng Yingchao arrived in Xian on 24 May. During her stay in Xian, she received responsible comrades of our province and Xian City and retired veteran cadres and visited the memorial hall of the Xian office of the Eighth Route Army. On their way from Chongqing back to Yanan in July 1943, when Premier Zhou Enlai and Comrade Deng Yingchao passed through Xian, they stayed here. After some 40 years, she came here again. She wrote down 14 characters -- Carry forward revolutionary traditions and persist in the work style of diligence, thrift, and plain living -- in the room where Comrade Zhou Enlai lived in at that time, to mark the occasion.

In the sitting room of the memorial hall, Comrade Deng Yingchao narrated to the working personnel of the memorial hall and the masses who were visiting the memorial hall the historical facts that here, in those years, leading comrades of our party and Army publicized the principles and policies of the Anti-Japanese National United Front, expanded the united front, and persuaded youths [words indistinct] to come to Yanan to participate in the revolution. She won the masses' warm applause. Comrade Deng Yingchao also cordially talked with Comrade (Huang Hinyou), a bodyguard at that time, and had a photo taken with him to mark the occasion.

During her stay in Xian, Comrade Deng Yingchao also visited the residence of patriotic General Yang Hucheng and received (Yang Zhenjing), General Yang Hucheng's daughter. She visited and went sightseeing a the museum of wood and terra-cotta figures of warriors and horses buried with the first emperor of the Qin Dynasty, Huaqing Pond, and (Qinglong) Temple.

On the eve of her departure from Xian, Comrade Deng Yingchao received (Guo Rumu), party branch secretary of (Yuanjia) village, (Yanjia) township, Liquan County. In their cordial conversation, she inquired in detail about the situation in production and livelihood of the masses of (Yunjia) village. When Comrade (Guo Rumu) said that (Yuanjia) village had 6 village-run enterprises and 18 motor vehicles and that the per-capita output value last year was some 15,000 yuan, Comrade Deng Yingchao happly said: Our village has done very well. However, it will not work if only one village becomes rich. We must help the poor villages and poor households become lifted out of poverty and get rich and help the peasants basically get rich.

Before Comrade Deng Yingchao left Xian yesterday, she attended the opening ceremony of the Xian City youth and juvenile palace.

On 1 June, Hao Jianxiu, secretary of the Secretariat of the CPC Central Committee, sent a telegram here from Beijing, extending greetings on the opening ceremony of the Xian youth and juvenile palace and giving festive regards to the juveniles and children of Xian City.

DENG LIQUN CELEBRATES CHINA DAILY ANNIVERSARY

OW030457 Beijing XINHUA Domestic Service in Chinese 1134 GMT 1 Jun 86

[By reporter Chen Weiping]

[Text] Beijing, 1 Jun (XINHUA) -- ZHONGGUO RIBAO [CHINA DAILY] held a tea party today in Beijing to mark its fifth anniversary. Party and government leaders Zhao Ziyang, Peng Zhen, and Deng Yingchao sent separate congratulatory letters and messages to ZHONGGUO RIBAO. U.S. President Reagan and former president Nixon also sent congratulatory cables to the English-language daily.

In his letter, Premier Zhao Ziyang said: "In the past five years ZHONGGUO RIBAO has done much work in promoting understanding and friendship between the Chinese people and the people of the world and enhancing their economic and cultural exchanges. I hope the papers staff will continue to work for a content-rich clear-cut, and lively newspaper that both Chinese and foreign readers enjoy reading.

ZHONGGUO RIBAO is the only English-language daily in our country. Since its first edition in 1 June 1981, its circulation has continuously expanded. It now has subscribers in more than 150 countries. It is published by satellite transmission on the same day in Hong Kong and New York. In addition, it also publishes its business weekly in North America.

Some 300 people, including Deng Liqun, Huang Hua, Zhu Muzhi, Rewi Alley, and Israel Epstein, attended today's tea party. Feng Xiliang, editor-in-chief of ZHONGGUO RIBAO, made a speech at the party. He expressed his determination to continue to work hard, improve work in making news reports and providing information, run the newspaper even better, and make great contributions to promoting mutual understanding and friendship between the Chinese people and the people of the world.

DENG LIQUN ADDRESSES GRADUATION CEREMONY

OW031050 Beijing XINHUA in English 0947 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- Speaking at a graduation ceremony today, a senior Chinese official stressed that the students should be patriotic in their work and loyal to the country, its people and the socialist system.

The speaker was Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee. The 96 students received their second bachelor's degree and will be working in Sino-foreign exchanges after graduation.

The students are from the international journalism faculty at Shanghai's Fudan University and Shanghai Foreign Studies University and the international cultural exchange faculty at Beijing University and Beijing Foreign Studies University. Before their enrollment by these universities, they had already studied for three years at other colleges and received their first bachelor's degree. The graduates will be assigned to work in the Ministry of Culture, the XINHUA News Agency, and the Ministry of Radio, Film and Television.

Deng Liqun told them that to be a patriot is the rudimentary requirement that the state and the people ask of them. He hoped that after years of effort, they will become communists. This has been the way travelled by many Chinese intellectuals as proved by history, he added. He noted that many Chinese college students today like to talk about what type of people they will become. In doing this, he said, they should first of all get to know what kind of people the country needs, and they should link their future with the destiny of the state. He said that China had stepped up its economic development and the people's life has somewhat improved, but there is still poverty and ignorance. He therefore asked them to be prepared to undergo hard struggles.

Minister of Culture Zhu Muzhi also spoke. He said that many people are needed to engage in Sino-foreign exchanges and that they should have professional skills and know foreign languages.

He noted that China has signed 113 agreements on cultural exchanges with 69 foreign countries, and the number of exchange projects as reached 2,800. Radio Beijing last year received ninety thousand letters from foreign listeners while the English newspaper CHINA DAILY has increased its circulation to a hundred thousand as compared with ten thousand five years ago.

PENG ZHEN STRESSES REFORMS IN HENAN ADDRESS

HK070113 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 6 Jun 86

[Text] Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, conducted investigation and study in Zhengzhou and Luoyang in Henan from 1 to 5 June. On 4 June, Comrade Peng Zhen made an important speech at a meeting to leading comrades of the party, government, and Army in the province.

Comrade Peng Zhen siad: I have been to two factories during this visit. The ideological and mental state of the workers is very good. With production of the factories and rural areas invigorated, everything else is easy to run. The present good performances of Henan, with its population of over 70 million, could not have been achieved without the efforts of the leadership at all levels. In looking at a person's work performance, we should see whether he does things advantageous for developing the social productive forces.

Comrade Peng Zhen said: Reform is aimed at developing the social productive forces. In judging whether reforms are correct, we should see whether they help develop the social productive forces. Not many problems have appeared in reform. In future there will be more problems that we have not foreseen. We must not retreat from reform just because a few problems appear. We must carry out reforms while advancing and solve problems in the course of reform.

Comrade Peng Zhen also spoke on straightening out party style, strengthening party unity, and so on. [passage indistinct]

Comrade Peng Zhen said: In viewing problems, we should distinguish between basic Marxist theory and its application. [words indistinct] The development of the productive forces causes changes in the production relations and the superstructure, but there is no change in the basic principles.

Reform is precisely carried out in accordance with basic Marxist principles. Production relations that do not accord with the development of the productive forces must be reformed. We should not only carry out reforms now; we must continually carry out reforms in the future. The basic principles and spiritual essence of basic Marxist truths existed in the past, exist now, and will continue to exist in the future.

The 7 June HENAN RIBAO reports this news on the front page. It also publishes a photograph of Comrade Peng Zhen chatting with workers during his visit to Zhengzhou Electric Cable Plant.

On 2 June, Comrade Peng Zhen, accompanied by Henan Provincial leaders Yang Xizong and Zhang Shude, braved the 37 degree heat to tour the site of the Huang He road bridge at Zhengzhou, which is now under construction. He cordially received labor models and advanced workers engaged in building the bridge, and also observed the construction work. [passage indistinct] This will be the country's largest road bridge. [passage indistinct]

LI PENG ADDRESS ON ENVIRONMENTAL PROTECTION

OW060537 Beijing XINHUA Domestic Service in Chinese 1310 GMT 5 Jun 86

[By reporter Gu Honghong]

[Text] Beijing, 5 Jun (XINHUA) -- At 1500 today, World Environment Day, Li Peng, vice premier of the State Council, and Kang Keqing, vice chairman of the CPPCC National Committee, attended a ceremony and planted evergreen "peace trees" at the Chinese Children's Center to express the desire and determination of the Chinese people in protecting the environment and safeguarding world peace.

Planting the "peace trees" is an important event in China to mark International Peace Year and World Environment Day. After planting the trees, Vice Premier Li Peng made a speech.

Li Peng said: Today is World Environment Day. In its "Declaration on Human Environment," the UN Human Environment Conference held in Stockholm 14 years ago issued the great call to "protect and improve the environment for the sake of this generation and future generations." Today the Chinese people are successfully carrying out their Seventh 5-Year Plan for National Economic and Social Development. During the next 5 years, we will adhere to the general policy of "enlivening the domestic economy, opening our doors to the outside world, and building a socialist society with distinctive Chinese characteristics"; we will adhere to reform and persist in improving the material and cultural lives of the people in urban and rural areas on the basis of developing production and achieving better economic returns.

Li Peng pointed out: Protecting the environment is one of China's basic national policies. The environment protection law promulgated in 1979 clearly stipulates that "the purpose of the PRC environment protection law is to ensure that natural resources are rationally exploited in the course of socialist modernization; guard against pollution of the environment and destruction of the ecology; create a clean and harmonious living and working environment; protect people's health; and promote economic growth." China is a developing socialist country, and the fundamental purpose of developing production is to benefit the people. We need both a peaceful and civilized environment -- a clean, beautiful, and comfortable environment suitable for production and living.

We believe that we certainly can achieve this objective as long as we give full scope to the superiorities of our socialist planned economy; adopt correct principles and policies; improve our management through the scientific approach; and integrate economic, social, and environmental benefits.

Li Peng also expressed the wish that the evergreen trees he planted will grow sturdily along with the offspring of the Chinese people in a peaceful and beautiful environment.

Also participating in planting the "peace trees" today were Gu Ming, head of the Economic Legislation Research Center under the State Council, and Ye Rutang, minister of urban and rural construction and environmental protection, as well as Ota Masahiro, deputy representative of the Asia-Pacific Regional Office of the UN Environment Programme, and (Jiahar), representative of the Environmental Coordination Department under the UN Economic and Social Commission for Asia and the Pacific.

ZHANG JINGFU ATTENDS TITLE CONFERRING MEETING

OW092222 Beijing XINHUA Domestic Service in Chinese 1456 GMT 9 Jun 86

[By reporter Ge Daxing]

[Excerpts] Beijing, 9 Jun (XINHUA) -- The State Administration of Building Materials Industry, the Urban Construction Workers Trade Union, and lthe Building Materials Workers Trade Union of China today conferred the title of national building materials model worker on 228 cadres, workers, and staff members who have made outstanding contributions to reform and development of China's building materials industries. At the same time, they also conferred the title of advanced unit on 92 units of the building materials industries. A title-conferring meeting was held in the Huairen Hall at Zhongnanhui today. Present at the meeting were Wang Ping, Wang Shoudao, Xiao Ke, and Cheng Zihua, members of the Standing Committee of the Central Advisory Commission; Zhang Jingfu, State Councillor; Ma Wenrui, vice chairman of the CPPCC National National Committee; and responsible persons of the departments concerned. They issued certificates of merit and certificates of honor titles to the model workers and the advanced units' representatives.

Yuan Baohua, vice minister in charge of the State Economic Commission, emphasized at the meeting: We must correctly appraise both merits and demerits of the reformers and distinguish between principal and secondary aspects. We should strictly distinguish between unhealthy practices and some slip-ups caused by lack of experience or by not knowing clearly the limits of current policies. The comrades who take the lead in making reforms should have a pioneering perseverance. Leading cadres at all levels, particularly veteran cadres, have the responsibility to cherish, support, and protect the reformers and be their powerful backing Yuan Baohua called on the model workers and advanced units of the building materials industry to persist in reform and spur on the entire building materials industry to rely on technical progress and better management to bring greater prosperity to our great motherland during the Seventh 5-Year Plan.

Praises Building Industry

OW072140 Beijing XINHUA Domestic Service in Chinese 1119 GMT 7 Jun 86

[By reporter Ge Daxing]

[Excerpts] Beijing, 7 Jun (XINHUA) -- The State Administration of Building Materials, the urban construction workers trade union, and the building materials workers trade union of China commended 228 model workers and 92 advanced units of the building materials industries for their contributions to China's four modernizations. State Councillor Zhang Jingfu attended the first meeting of model workers and advanced units of the building materials industries held in Beijing today. He extended his regards and greetings to the model workers and representatives of the advanced units.

In his speech, Zhang Jingfu spoke highly of the contributions made by the building materials industries to China's industrial and agricultural production and national defense contruction and to the improvement of the people's living standards. He particularly praised the building materials industries for having made outstanding achievements in reforms in the last 2 years. He emphasized that the building materials industries are important basic and backbone industries having a bearing on the national economy as a whole. Generally speaking, he said, the products of our building materials industries, particularly high-grade and new-type building materials, do not come close to meeting the needs of our economic development.

Zhang Jingfu held that the devotion and hard work of the vast number of building materials workers should be respected by he whole society. He said: Most building materials enterprises are located far away from cities or are in outlying regions. Both the workers' lives and work are harder than others. I hope that party and government leaders and economic management departments at all levels will show concern for the development of the building materials industries and help building materials enterprises solve problems.

Zhang Jingfu encouraged the advanced units and model workers of the building materials industries to persist in making reforms, work hard together and promote technical progress, bring about greater prosperity to their industries, and make new contributions to a successful fulfillment of the Seventh 5-Year Plan.

XI ZHONGXUN, OTHERS ATTEND BEIJING CHORUS

OW060556 Beijing XINHUA Domestic Service in Chinese 1607 GMT 5 Jun 86

[By reporter Li Derun]

[Excerpts] Beijing, 5 Jun (XINHUA) -- Ebullient and inspiring songs moved the hearts of the audience. Tonight at the Huairen Hall in Zhongnanhai, some ensembles gave choral performances as part of the activities to mark the Second Beijing Choral Festival. With great interest, Xi Zhongxun, Li Desheng, Huang Zhen, Liao Hansheng, Kang Keqing, Chen Haosu, Zhou Weizhi, Gao Zhanxiang, and Li Huanzhi attended the performance and enjoyed the rich and varied chorus along with other spectators in the capita.

After the performance, Xi Zhongxun and other leading comrades went on stage to congratulate the singers on the success of their performance and to pose with them for photographs.

NEW VIEW TOWARD SCIENCE, TECHNOLOGY URGED

HK061546 Beijing RENMIN RIBAO in Chinese 5 Jun 86 p 5

[Article by Ma Hong: "Look at Scientific and Technological Progress From a New Plane"]

[Text] In his report to the 12th CPC National Congress, Comrade Hu Yaobang pointed out: "The modernization of science and technology is a key link in our four modernizations." In 1982, at a national meeting to present scientific and technological achievement awards, Comrade Zhao Ziyang said: "Economic construction must be supported by science and technology." "Scientific and technological work should serve economic construction." Commenting on the world's new technological construction, he said that our economic construction and scientific and technological work should be based on the present circumstances and that we should strive to satisfactorily fulfill our tasks and, at the same time, be farsighted; examine the new trends in world economic, scientific, and technological development; and think about the problems of what we should learn from others and what merits our attention in order to make our socialist modernization further successful. We must get a correct idea of and handle well the relationship between science and technology on the one hand and modernization on the other, the relationship between science and technology on the one hand and economic construction on the other, the relationship between China's economy, science, and technology and those of the world, and the relationship between reality and the future from this new plane. Obviously, an in-depth study of the theoretical and practical problems regarding scientific and technological progress in China with the purpose of making this progress contribute to the country's coordinated economic, scientific, technological, and social development is an important task confronting us.

In the mid-1950's, we raised the slogan of march toward science and technology. In 1962, we formulated a 10-year program for scientific and technological development, implemented the principle of independence, self-reliance, and keeping one's initiative in one's own hands, made preparations for the development of A-bombs, H-bombs, and satellites, and decided to study the latest scientific and technological achievements and to apply them in industry and agriculture. Since the 3d Plenary Session of the 11th CPC Central Committee, science and technology have been exalted as a productive force and the key to modernization. This indicates that our cause of socialist construction and scientific and technological development has entered a new stage.

We should be able to see that the country's scientific and technological development has given great impetus to the development of its national economy.

The rapid development of Daqing is inseparable from the attention given to scientific and technological progress and the scientific and technological progress achieved by Daqing is inseparable from the attention given to science and technology by Daqing's leaders. One cannot adequately account for Daqing's success in terms of a "revolutionary fighting spirit." One must also acknowledge the power of "science and management (scientific management)."

In the 2 years starting from the beginning of 1984, the leaders of Daqing and others involved organized some theoretical and practical workers to study earnestly and carefully under the guidance of the tenets of Marxism and with a systematic approach the scientific and technological progress achieved by Daqing and the problem of how to give impetus to social and economic development by relying on scientific and technological progress.

They arrived at a clear understanding of the relationship between scientific and technological progress and economic development, helped people more conscientiously and enthusiastically give impetus to economic development on the basis of scientific and technological advances, and provided a scientific basis for the formulation of a strategy for coordinated economic, scientific, technological, and social development in the future. Their success in this regard is given adequate expression in a book entitled "Scientific and Technological Progress and Daqing's Development and Construction."

Despite the winding course of Daqing's development, all our people know that Daqing has positively contributed to the country's industrial and economic development and to its socialist construction. This book has great reference value for those who want to acquire further scientific understanding of the past and present of Daqing and for those plotting its future.

In the past, by adhering to the principle of self-reliance and fighting hard in spite of hardships, Daqing, a red flag on the industrial front, inspired and guided thousands upon thousands of people to fight for the socialist modernization of the country. In the future, it is still necessary to carry out socialist modernization in this spirit and, from the high plane of the current situation and on the basis of the view that China's economic and technological development is part of world economic development, to give thought to various problems and pay close attention to world development trends. Thanks to the world's new technological development, we have been able to adhere to the principle of self-reliance and independence, and keeping one's initiative in one's own hands and, at the same time, to discard traditional methods, to selectively import the appropriate advanced technology from foreign countries, to bypass some technological development stages, to directly apply some of the fruits of the new technological revolution, to produce some high-quality products, and to attain better economic results by cutting down on the consumption of energy and raw and processed materials and by using funds economically. Now, we can take advantage of the structural readjustment of the economies of the developed countries and the intense competition between various countries to develop our economy, technology, and trade and to combine technological development with trade. We can also learn from the developed countries' modern management methods and their experience and adopt new technological measures to speed the reform of management and raise efficiency. In conclusion, the opportunities and challenges resulting from the situation characterized by reforms, the opening up policy, and revitalization require us to formulate our strategy for economic, technological, and social development on the basis of a new viewpoint, a new approach, and new methods.

COMMENTATOR ON DECISION-MAKING IN HIGHER LEARNING

HK100827 Beijing RENMIN RIBAO in Chinese 4 Jun 86 p 1

[Commentator's article: "Enhance Decisionmaking Power in Running Higher Learning Institutions"]

[Text] As a base for training qualified personnel, the higher learning institutions should be a relatively independent entity of teaching and scientific research. This entity should maintain independently responsible, flexible, and varied links with production, scientific research, society as a whole, and various fields in terms of policy and limitation of powers.

The management and operation of the entity should also conform with the law on education work. However, for a long time we have been used to using administrative methods to administer schools, and the relevant departments of the government have been exercising excessively rigid control over the higher learning institutions, so that higher learning institutions now lack their due vitality. What is worse, the government has not done the things which it should have done. Under such circumstances, the State Council has recently promulgated the "Provisional Regulations on the Management of Higher Education," stipulating that while strengthening and improving its macroscopic guidance and management over higher education, the state will also expand the decision-making power of the higher learning institutions. It can be said that the "provisional regulations" hsve grasped one of the key links in the higher education structure.

In order to expand the decision-making power of the higher learning institutions, the relevant departments of the government should first of all simplify their administration and delegate power. The "provisional regulations" specifically and respectively define the limits of the management responsibilities of the State Education Commission, the relevant departments of the State Council, the relevant departments of the local governments, and the higher learning institutions themselves. In the course of implementing the "provisional regulations," whether the power can be smoothly delegated, truly delegated, or falsely delegated will mainly be decided by the attitudes, measures, and work of the departments responsible for education. It will also be determined by the cooperation and support of other government departments. Because of many years of rigid control, it is understandable that some people will feel uneasy and unassured about the delegation of decision-making power to higher learning institutions. However, since the orientation of the reform is clear, we should do the work well and delegate the decision-making power well. The delegation of power does not mean to let things drift, nor does it mean noninterference. To help the higher learning institutions solve the problems which they cannot solve by themselves by offering macroscopic guidance according to the "provisional regulations" is just the area which the relevant departments reasonsible for education should open up or improve.

The delegation of decision-making power to higher learning institutions will inevitably increase the responsibility of higher learning institutions. Having the decision-making power in the eight fields of self-management, finance, capital construction, personnel affairs, assessment and employment of teachers, teaching, scientific research, and academic exchanges, the higher learning institutions will have the capability to actively satisfy the needs of economic and social development. How the institutions will be run will be determined by the ability of the leaders of the institutions. The higher learning institutions should not only have the decision-making power, but also know how to use and make good use of the decision-making power. Some of the measures adopted by the higher learning institutions have a great impact on the various fields of the society. Thus, when using the decision-making power, we must pay attention to the social effects of every measure. How to make good use of the decision-making is something new faced by the leaders of all higher learning institutions. Power always comes with responsibility.

The "provisional regulations" is only a basic document. As far as the concrete measures and methods regarding the delegation of power are concerned, the State Education Commission will make some necessary and detailed measures. The relevant departments of the State Council and the relevant departments of the local governments will also take some measures in light of their respective realities, so that the higher learning institutions will have regulations to go by.

Like other reform measures, the delegation of more decision-making power to higher learning institutions is a completely new cause. Therefore, in the process of the reform, problems will inevitably emerge. We should be mentally prepared for this. When new problems emerge, we should conscientiously carry out investigations and research and carefully solve the problems. We must not doubt our orientation, stop our work, or take the road back. When implementing the "provisional regulations," let us push forward with the reform of higher learning institutions and serve the building of the socialist modernization with our creative work.

AIR FORCE TO SET UP CIVIL AVIATION CORPORATION

HK110320 Beijing CHINA DAILY in English 11 Jun 86 p 1

[By staff reporter Liu Dizhong]

[Text] The Air Force is to set up a new airline, which will ease the present strain on domestic air transport and add an element of competition.

The new civil aviation corporation, as yet unnamed, is to be established jointly by the Air Force of the People's Liberation Army and United China Airlines (UCA).

The move is part of the Air Force's effort to help meet the growing demand for air transport, as urged by the Central Military Commission, according to Hong Wenkui, deputy general director of UCA, in an interview with CHINA DAILY.

China's open policy has greatly spurred the development of the nation's civil aviation. Last year, more than 7.5 million passengers were carried by the Civil Aviation Administration of China (CAAC) -- the country's principal airline -- double the figure of 1980 when the country began opening up.

But, Hong said, passengers, both Chinese and foreign, frequently complained about the shortage of flights, though air travel is still considered a luxury in China.

The UCA, established with the help of the Air Force in 1984, was among several new airlines set up in the past two years to ease the problem. So far UCA has 10 routes, including ones from Beijing to the tourist centres of Hangzhou and Wuxi and Beijing to Shenzhen, one of the nation's special economic zones. With its fleet of military craft, UCA has carried more than 100,000 passengers since 1935.

The new airline corporation will open several new routes, including Beijing-Chengdu-Lhasa, Beijing-Xuzhou-Shanghai and Beijing to Guilin and Beijing to Lushan Mountain, two of the most beautiful scenic spots in China. With its headquarters in the Beijing Hotel the airline will fly in and out of the capital's military airport at Nanyuan in the city's southern suburbs. It will open its own ticket offices as well as taking over existing UCA offices.

Hong said the new airline was aiming to carry more than 200,000 passengers by the end of this year. Hong has been appointed as deputy general director of the new airline which is to start official operation "in the near future".

The Air Force, Hong said, would provide the airline with as many airports and planes "as possible", including Soviet-built Ilyushin 18s, the 164-seat Tupolev-154 and British-made Tridents and Viscounts. In the future the airline plans to expand with cooperation from provincial governments and enlarge its fleet with more up-to-date models. Services, such as fuel supply, pilots and flight crew, ground staff, maintenance and in-flight meals, would be supplied by the Air Force, Hong said.

In return, he said, the new airline corporation will hand over 75 per cent of its annual profit to the Air Force. The new airline plans to expand its charter service around China, mainly for foreign diplomats, tourists and delegations.

Last year, Harry Gray, chairman of the Board of the U.S. United Technologies Corporation, Daim Zainuddin, finance minister of Malaysia and Armand Hammer were among those who took charter flight while visiting China.

The establishment of UCA and other local airlines since 1984 has broken CAAC's monopoly on air travel within China. The new airline corporation would increase competition, Hong said. But, he added, competition was not a bad thing. "It will help improve China's civil aviation, particularly in-flight service." The State has always set ticket prices. However, Hong said, the new airline would sell tickets at discount prices off-season and during school vacations.

RENMIN RIBAO COMMENTS ON HOUSEHOLD BUSINESSES

HK101437 Beijing RENMIN RIBAO in Chinese 6 Jun 86 p 1

[Commentator's article: "Household Businesses Are in the Ascendency"]

[Text] The operational structure of agricultural production has changed from the "three-level ownership by the commune, the production brigade and the production team, with the production team as the basic accounting unit" into a two-tier operation, with the household as the base. That is the main content of China's reform of the economic structure in the rural areas as well as the basic reason for the marked accomplishments in rural development. Now, making complete and perfect and developing household business has already become an important task.

The widespread institution of the contracted responsibility system based on the household and linking remuneration to output has in a few years' time broken through the long-term stagnant and passive situation in China's agricultural production, and resulted in vigorous momentum for development. The key factor is the change in the peasants' indifference toward land, the situation in which labor and compensation were out of joint, and the separation of producers from managers back in the time when things were done in a "great flourish." Now the peasants are simultaneously producers and managers. And they have formed a new-type relationship with the land and production results. This conforms to the present condition of China's level of social and economic development as well as the characteristics of agricultural production as an enterprise which must adapt measures to local conditions. Therefore, the vigor stimulated by household business is like the momentum of a rushing river, flowing down with all its might.

The household business in agriculture at the present stage in China are based on cooperative economy, and have developed within the larger environment of the national economy with public ownership in the dominant place. Whether there is contracted land or private plots they are all under collective ownership. Household businesses are a combination of "unification" with "separation," and the basis for the two-tier operation. We should not regard household business under the socialist system the equal of those under private ownership. The more so should we refrain from turning household businesses against three cooperative economy. If the contracted responsibility system on a household basis is negated as an important layer in cooperative economy, it would mean negating the fruits of the first-step reform in the rural areas, and the danger exists for turning back to the old path of "being large in size and having a high degree of public ownership," and "eating from the same big pot."

The general condition of China's agriculture at present is: the proportion of traditional farming represented by manual labor and draft animals is still considerably great, while the proportion of modernized farming is still rather small, it is still in the process of gradually changing from self-supporting and partially self-supporting production to commodity, specialized and modernized production. This level of productive forces has determined the necessity and protracted nature of separate and diversified household businesses. That will, of course, bring about some difficulties in the macrocontrol of agriculture. It is necessary for us to follow the laws governing social and economic develoment in macrocontrol, to use more economic and legal approaches, to improve the organization and managerial level of commodity production, and to harmonize the relations between social needs, the national plans, and household business. We should guard against sheer reliance on administrative means, and the rigid implementation of mandatory plans. Experience has shown: household businesses and macrocontrol can be harmonious and household businesses are not opposites to modernized production, and much can be accomplished in the modernization of agriculture on the basis of household businesses. The rapid development in the application of agricultural science and technical know-how and the upgrading of the level of specialization and socialization in agricultural production in the past few years with the widespread institution of household management have proven this.

In the course of development of China's agriculture, the vitality of household businesses is just beginning to make itself felt, and household businesses are in the ascendancy. In order to further bring into play the role of household businesses, it is necessary to do a good job in all kinds of socialized service work, to earnestly solve the problems and difficulties of individual housheolds, to organize a rational flow and combination which will mend the shortcomings of household businesses, and are favorable to the essentials of production, and to promote the renovation of production skills and upgrade the mangerial level. Developing and making perfect and complete household businesses is not an expedient measure. It should be given a prominent position and seen as exploring a path for the development of agriculture with Chinese characteristics in our understanding, and regarded as a long-term principle to be earnestly implemented in practice, so that the initiatives of both the collective and the individual may be brought into play in mutual coordination, and the steady and healthy growth of the rural economy may be ensured.

CHINA DAILY EDITORIAL ON HOUSING CONSTRUCTION

HK110308 Beijing CHINA DAILY in English 11 Jun 86 p 4

[Editorial by Guo Liyu: "Housing Headaches in Cities"]

[Text] Much has been said about the recent boom in housing construction across the country. But this does not mean that the average Chinese is getting the housing he wants.

In fact, while housing construction can be seen in almost every city, urban workers still face housing shortages.

There are several contributing factors: population increases and insufficient action by authorities. But the most devastating obstacle to solving housing problems is the low-rent system. During the previous Five-Year Plan (1981-85), the State invested tens of billions of yuan each year in urban housing, PEOPLE'S DAILY reported.

Housing built within the five years surpassed the total of the previous 30 years. Even so -- as an example -- an estimated 38 percent of families in the city of Tianjin do not have adequate housing, according to a signed article in the paper. There are too many cases of two or three generations living in one crowded room, young people yearning for a single room where they can set up their bridal bed, and married couples who are still living with their parents.

At the same time, the local government of Tianjin not long ago confiscated around 2,270 vacant rooms, a total of 61,000 square metres. All these rooms had long been unoccupied although they had been rented to various residents. Similar cases were reported in Beijing and Shanghai, the PEOPLE'S DAILY article said.

For years, China has practised "housing allotment," which means that the State pays for the building of housing to be assigned to urban workers, and gets back only a tiny fraction of its investment in rent. Sometimes, the monthly rent is as low as a few cents per square metre.

This indicates that a few privileged citizens who are able to rent more housing than they need are enjoying an unfair amount of these State subsidies. To handle housing distribution better, three steps should be taken, an article in ECONOMIC DAILY suggests:

-- Many more living quarters should be sold to individual buyers instead of being rented at irrationally low rates. In light of present low wage standards, the State could experiment with a three-price scale based on each buyer's income: full price, partial subsidy and preferential price -- for low wage earners.

-- A certain number of older State-owned houses should be sold at discount prices. The State thus would be able to retrieve money tied up in housing and re-invest it. The new owners could then improve the housing at their own expense.

-- Most important is to reform the existing rental system. Housing subsidies will still be necessary. The question is how to handle them.

The monthly journal CHINA'S ECONOMIC STRUCTURE REFORMS suggested two ways: hidden and open subsidies. The former means that present low rents should be kept, and those who could not otherwise afford State-owned housing should get State subsidies.

The open-subsidy method would raise housing rents to the real value of the housing. The State would have to give a compensating subsidy to every urban dweller -- as it does now for non-staple foods, a practice begun when food prices rose drastically in recent years.

The journal pointed out that the open subsidy would mean that the more housing space one got, the more he would pay out, since the subsidy would not increase. The open subsidy would also involve less paperwork. Rents should also reflect the housing's convenience to transport, public amenities and shopping facilities, it says.

GEZHOUBA GENERATOR IN OPERATION; 'WORKING WELL'

HK100813 Beijing CHINA DAILY in English 10 Jun 86 p 1

[By staff reporter Xu Yuanchao]

[Text] Yichang, Hubei -- The Gezhouba Dam on the Yangtze River, China's largest hydro-electric power station, has already begun to live up to its full economic potential, according to a local official.

The 120,000-kilowatt No 8 power generator went into operation yesterday and at the end of its 72-hour trial run last Thursday, it had produced 11.4 million kilowatt hours of electricity, said the official, who works for the Gezhouba Hydropower Engineering Bureau under the Ministry of Water Resources and Electric Power.

A test report approving the new generator was passed yesterday morning by a 40-member assessment committee authorized by the Ministry

Nhen Gengyi, committee director, told CHINA DAILY that the generator, the first stage of the second phase of the dam project had been completed a month ahead of schedule and was "working well."

He said another generator would start operating at the end of this month and two more were planned to be completed by the end of the year, bringing the project up to an annual generating capacity of 1.46 million kilowatts, producing 8 billion kilowatt hours of electricity, about 10 percent of China's total hydro-electric power output. The Gezhouba power plant has been connected to the Central China power grid to supply four provinces -- Hubei, Hunan, Henan and Jiangxi.

The second stage of the project, which began in 1982, will cost about 2.4 billion yuan and involves the building of the western section of the dam, which includes the power plant and a lock for ships up to 10,000 tons.

Ten generators will be installed in the next two years and the whole project is expected to be completed by 1988 -- a year ahead of schedule.

The first stage of the project, with a designated capacity of 965,000 kilowatts, was completed in 1983.

Yue Rongshou, chief engineer of the Gezhouba Engineering Bureau, said that construction of the dam had raised the level of the Yangtze, alleviating the problem of blockages caused by landslides at the Xiling Gorge.

In the past five years, 7.4 million passengers and 20 million tons of cargo have passed through the dam's ship locks. In the first four months of this year alone, 805,000 passengers and 1.6 million tons of cargo went through.

The power station has produced 26.7 billion kilowatt hours of electricity since 1981 and the gross value of industrial and agricultural output using power from the Gezhouba has reached 80 billion yuan, of which 16 billion yuan went to the State.

$1.5 BILLION RAISED BY ISSUING BONDS ABROAD

HK170908 Hong Kong ZHONGGUO XINWEN SHE in Chinese 2031 GMT 16 May 86

[Report: "China Raises Funds Totaling U.S. $1.5 Billion Overseas by Issuing Bonds"]

[Text] Beijing, 16 May (ZHONGGUO XINWEN SHE) -- From 1982 to the end of April 1986, China issued bonds in foreign currencies 14 times in capital markets in the FRG, Hong Kong, and other areas and raised funds totaling $1.5 billion.

JINGJI RIBAO says today that according to officials of the State Administration of Exchange Control, during the Seventh 5-Year Plan period, Chinese financial institutions will continue to issue bonds abroad under the unified administration of the People's Bank of China and thus raise some foreign exchange funds in a planned manner in order to satisfy the demand of our economic construction.

China has issued bonds 11 times in Japan to raise funds totaling 260 billion yen, twice in the FRG to raise 300 million Deutsche marks, and once in Hong Kong to raise 300 million Hong Kong dollars.

Of the four institutes that have issued bonds, the Bank of China has issued bonds six times, the China International Trust and Investment Corporation has done so five times, the Fujian Investment Enterprise Corporation has done so twice, and the Shanghai Investment and Trust Corporation has done so once.

JINGJI RIBAO ON DEVELOPING PRC CAPITAL MARKET

HK161249 Beijing XINHUA Hong Kong Service in Chinese 0712 GMT 15 May 86

[Report: "JINGJI RIBAO Commentator Stresses That China Should Establish a Capital Market and Develop It Step by Step" -- XINHUA headline]

[Text] Beijing, 15 May (XINHUA) -- JINGJI RIBAO today published an commentator's article saying that China should gradually open and build a capital market, which will play an important role in improving the market mechanism, ensuring the most efficient distribution of funds, and achieving the best economic results in the use of funds.

A capital market is a place in which those who need capital may obtain capital from the capital supplier in a certain form. The offering and acceptance of capital in society have direct and indirect channels. Through buying shares and bonds, capital suppliers can directly offer capital to those who are raising funds. The banking institutions act as the indirect channel for the offering and acceptance of capital. The owners of funds deposit their money in the banks, and the banks use this money to offer loans or buy securities so as to offer capital to those who need it. In China, the transfer of funds is mainly indirect, and a direct channel for capital movement has not been developed yet.

The article says: As the commodity economy is developing in China and a commodity market with Chinese characteristics has been forming, there is an objective need to build an integrated and extensive capital market to facilitate capital movement and to coordinate the supply and demand of funds.

The article reviews the problems in the existing monetary management system in China and points out that without a domestic capital market, we will not be able to effectively control the general scope of credit and money supply and will not be able to properly employ such economic levers as prices, interest rates, and credit and to coordinate their roles. It will thus be difficult for us to turn our direct economic control into indirect control.

The article says that in order to build a socialist capital market with Chinese characteristics, a good job should be done in handling the following:

-- In order to enliven the circulation of funds, it is necessary to first facilitate the movement of credit funds between various banks. Credit funds are used through circulation. Sometimes one bank may hold too much credit funds in its hands and another bank may be short of credit funds. This makes it possible and necessary to facilitate interbank loans in the same region. The People's Bank should promote the movement of credit funds by using other banks' deposits in it. All specialized banks should also strengthen their interbank credit transfer business to facilitate the horizontal movement of funds.

-- It is necessary to open a discount market and develop discount business. Since all sorts of bills are used in commerical credit, it is necessary for the specialized banks to handle discounts and acceptance discount business. The People's Bank should handle rediscount business for the specialized banks.

-- A securities law and a securities transaction law should be enacted as soon as possible so as to perfect the system of securities issuance and transactions.

-- We should actively develop indirect capital transfer. The banks have favorable conditions for taking deposits. At present, the banks act as the main channel for raising funds in large amounts to develop the short-term capital market in China.

CORRECTION TO HU QILI VIEWS REFORM ISSUES

The following correction pertains to the item headlined "Hu Qili Views Reform Issues in LIAOWANG," published in the 3 June China DAILY REPORT, page K 5, paragraph one, line four:

...member of the Political Bureau and of the... (changing words "Standing Committee" to "Political Bureau")

ANHUI GOVERNOR INTERVIEWED ON MILITIA REORGANIZATION

OW110007 Hefei ANHUI RIBAO in Chinese 27 May 86 p 1

[Text] During a meeting attended by first secretaries from party committees of departments in the provincial military district, our reporter Yao Lipei and correspondents Fan Dashui and Jian Wuiyu interviewed Comrade Wang Yuzhao, governor of our province and concurrently chairman of the provincial People's Armed Forces commission, and asked him questions on the reorganization of the People's Armed Forces departments of our province, transferring them to local administration. Minutes of the conversations between the governor, our reporter, and correspondents follow.

Question: Governor Wang, why should the People's Armed Forces departments be transferred to local administration? What is the significance of this transfer?

Answer: The 12th CPC National Congress and the new Constitution have clearly defined our current fundamental task, and that is to concentrate our efforts on socialist modernization. The enlarged meeting held by the Central Military Commission in 1985 made a scientific analysis of the international situation and decided to wholeheartedly proceed with construction by making full use of the favorable international environment and to put the PLA on the track of peacetime construction. To cope with the change in the situation and to meet the needs of the nation's economic construction, which is a task of overall importance, the PLA has embarked on the significant work of structural reform and reduction-in-strength reorganization with the approval of the CPC Central Committee. The transfer of county (city, district) People's Armed Forces departments to local administration is an important component in this reform. In my opinion, this transfer will assist local party committees and governments strengthen their unified leadership over the militia and reserve-service work. It will also help local party committees and governments coordinate the various departments to support and cope with this work. At the same time, it will enable People's Armed Forces departments to play a full role in the various tasks centered on economic construction under the direct leadership of the local party committees and governments. For the sake of the important tasks of carrying out the nation's economic construction and building up our Army, we should do our best to make a success of the work of transferring People's Armed Forces departments to local administration in accordance with the requirements of the central authorities.

Question: Will there by any change in the nature, work, and functions of People's Armed Forces departments after they are transferred to local administration?

Answer: After being transferred to local administration, People's Armed Forces departments will become sub-county units without any change in their nature, work, and functions. County (city, district) People's Armed Forces departments will still be local military leading organs. They will function as a military department of the county (city and district) party committees and, at the same time, a military service organ of the governments at the same level. They will be under the dual leadership of the county (city, district) party committees and governments and of the military organizations at higher level. The post of party committee secretary of the People's Armed Forces department is to be filled concurrently by the secretary of the county (city, district) party committee. The director or political commissar of the People's Armed Forces department will take part in the work of the Standing Committee of the county (city, district) party committee and the work of the party committee of the military sub-district.

The People's Armed Forces department will be responsible for militia and military service work in its locality. Party committees and governments at all levels should continue to fully incorporate the role of People's Armed Forces departments as military leading organs and manage them by using PLA rules and regulations as a guide. People's Armed Forces departments should seriously carry out their duties and continue to do their work well.

Question: When will the transfer of our provincial People's Armed Forces departments to local administration begin?

Answer: In our province, such a transfer was started in Suzhou City and Suxian County for experimental purposes. Now the experimental work has been completed successfully. Using the experienced gained in the experiment, we shall begin transfer work in the entire province in the wake of this meeting. The entire work will be completed before the end of June to comply with the instructions and demands of the central authorities.

Question: Specifically what work should be done for the transfer?

Answer: The central authorities have clearly stated, in specific detail, the procedure for transfer of People's Armed Forces departments to local administration. The provincial CPC Committee, government, and Military District have also issued a joint circular in this regard. All these should be used as a basis for the transfer work. Specifically, I think we should grasp four tasks:

First, we should treat the transfer of People's Armed Forces departments to local administration as a matter of prime importance. Military departments should display a highly responsible spirit and make the transfer a real success. Personnel doing various jobs in People's Armed Forces departments should be readjusted and reassigned according to the needs of reorganization. Assignment of cadres should meet the requirements of being more revolutionary, younger in average age, better educated, and professionally more competent. Particularl attention should be paid to the formation of leading bodies, to transfer local authorities leading bodies good in ideology and workstyle and professionally competent. In the interest of continuity of the work of People's Armed Forces departments, it is necessary to persuade those backbone personnel who are good in ideology, professionally competent, and familiar with local conditions to remain at their posts. Weapons, equipment, operating expenses, and various materials should be well managed, and all work, which is the responsibility of military departments, should be done well. Of course, the work of transferring county (city, district) People's Armed Forces departments to local administration should not merely depend on military departments, due to the wide scope and large amount of work and because it concerns the implementation of the policy. Also required is active support and close coordination from local party committees and governments at all levels. Local party committees and governments should take the initiative in shouldering responsibilities, doing serious and energetic work, and warmly welcoming and supporting the transfer of People's Armed Forces departments to their administration.

Second, we should do broad and in-depth propaganda and educational work by fully using meetings, newspapers, broadcasting, television, andd other means to propagandize the important significance of army structural reform and streamlining. We should propagandize the role and function of the People's Armed Forces department in the new period, and the important contribution of the cadres of the People's Armed Forces department in militia work, in building reserve service and the two civilizations.

We should help cadres and the masses understand things in a better light, educating them to respect and cherish the Army and support army reform.

Third, local party committees and governments should help the People's Armed Forces departments solve problems encountered during transfer work in a down-to-earth manner. Certain contradictions and difficulties will appear during the transfer of the People's Armed Forces department work to local administration. Local party committees at all levels and governments should do a good job in the spirit of strictly following the policy, facilitating transfer work, paving the way to long-term construction of the People's Armed Forces departments, and bringing about unity in the Army and between the Army and the people. They should actively help solve problems in the People's Armed Forces department. Currently, People's Armed Forces departments in 33 cities and districts in the province have difficulties with office space, automobiles for official use, and in housing. All localities are requested to help systematically solve these problems. Local public security departments should permit transferred personnel of the People's Armed Forces departments to settle down and help them get housing registration. All localities should, in accordance with government regulations, actively and properly handle the problem of job transfers, employment, and schooling for dependents of cadres of the People's Armed Forces department.

Fourth, the Army and localities should jointly oversee transfer work; they should join hands to facilitate work for the People's Armed Forces departments, and strive to maintain work continuity; equal treatment, attention, and job promotion opportunities should be given to both local cadres and cadres of the People's Armed Forces departments; they should instill work enthusiasm and creativity in the People's Armed Forces department. In arranging work and assigning tasks for People's Armed Forces department personnel, we should take into account the work nature and characteristics of the People's Armed Forces department, leaving it time and energy to coordinate with the central task of the party committee, and enabling it to do a creative and good job in its assigned work. All in all, we should, more than ever, do better work in the province's armed forces. We must keep up the good work.

Reporter: Thank you, Governor Wang. By unifying our thinking, pooling our efforts, and resolutely implementing the instructions of the CPC Central Committee, the State Council, and the CPC Central Committee's Military Commission, we believe the transfer of the People's Armed Forces departments in our province will be surely and satisfactorily carried out, and a new situation be created in militia and reserve service work.

FUJIAN CONCLUDES CONTRACTS TO USE FOREIGN FUNDS

OW100632 Beijing XINHUA in English 0542 GMT 10 Jun 86

[Text] Fuzhou, June 10 (XINHUA) -- In the first four months of this year, Fujian Province in southeast China concluded 33 contracts that involve foreign funds, a provincial official said here today. These contracts involve a total foreign investment of 27 million U.S. dollars, 9 million dollars of which have already been spent.

There are 18 contracts for Sino-foreign joint ventures, 12 for cooperative enterprises, and three for enterprises with sole foreign investment, according to the official.

Last year, the province signed a record 300 contracts with foreign investors, bringing the figure to a total of 800 over the past six years.

GANSU ARTICLE REPROVES OPPRESSING RICH TO SUPPORT POOR

HK070611 Lanzhou Gansu Provincial Srvice in Mandarin 2200 GMT 6 Jun 86

["Chat for Everybody" article by (Zhang Xiaoli): "Do Not Oppress the Rich To Support the Poor"]

[Text] At present the cadres in many places are helping poor households to take the road of prosperity for all. This is greatly welcomed by the masses. However, the phenomenon of oppressing the rich to support the poor has appeared in certain places. I recently observed the following event in Huining: An affluent peasant who encountered difficulties in production asked a village cadre to solve them. The cadre said: In recent years your car wheels have been revolving rapidly, and you became a 10,000-yuan household before others even became well-off. Now we are supporting the poor; we cannot take account of the interests of you rich households.

According to my information, this phenomenon of oppressing the rich to support the poor also exists elsewhere. The party's rural policy is to allow some peasants to get rich ahead of others and [word indistinct] help all the peasants to follow the path to prosperity. We should understand and implement the party policy in an all-round way. We should not cease to care for poor households when getting rich is proposed, nor should we turn a cold shoulder to peasants who get rich ahead of others, when supporting the poor is urged. We should support both rich and poor, and let the rich become still richer and the poor catch up with them. Thus everyone in the rural areas can advance toward the goal of prosperity for all.

SOUTHERN GANSU ECONOMIC DEVELOPMENT EXPLORED

OW100619 Beijing XINHUA Domestic Service in Chinese 0125 GMT 10 Jun 86

[By reporter Feng Cheng]

[Excerpts] Lanzhou, 10 Jun (XINHUA) -- Since the beginning of this year, the Gansu Provincial CPC Committee and the provincial governments have organized the various departments concerned in the province to adopt effective measures to help poor areas in southern Gansu drive off poverty and become well-to-do.

Southern Gansu is located in the southern part of the western Qinling mountains covering more than 28,000 square kilometers. Its nine counties have a total population of 2.25 million people.

Since the 3d Plenary Session of the 11th CPC Central Committee, the cadres and masses in southern Gansu have brought into full play the spirit of the foolish old man who moved the mountains, developed natural resources, and driven off poverty to become rich. When Comrade Hu Yaobang visited south Gansu last October, he called for efforts to "grow grass and trees, promote farming and animal husbandry, develop a diversified economy, and increase industry to become well-to-do." This has filled the people in the whole area with even greater confidence.

However, this area is remote and isolated and lacks qualified people, technology, and capital. Its rich resources have not yet been fully tapped, and its economic development is quite slow. During 1985, the area's total output value of industry and agriculture was only 510 million yuan, and the peasants' per capita income was 193 yuan. It is the poorest area in Gansu, with the lowest per capita income among the peasants in the province.

Since the beginning of this year, the Gansu Provincial CPC Committee and the provincial government have resolutely implemented the guidelines given by Hu Yaobang in his speech, and concentrated its manpower, material resources, and funds to help this area explore its natural resources and become rich.

In late May, Li Ziqi, secretary of the provincial CPC Committee, and Gansu Governor Jie Zhijie went to southern Gansu on separate occasions to investigate and study, and convene a symposium to develop economy in the area and work out plans and measures for the rejuvenation of economy in southern Gansu. The symposium was attended by responsible persons of various units directly under the provincial authorities and the leading cadres at the prefectural and county levels in southern Gansu.

With the vigorous support of the Gansu provincial authorities, southern Gansu's economy has begun to boom. During the first 4 months this year, a total of 440,000 mu of trees have been planted in the whole area, of which 190,000 mu are of great economic value. This is the first spring when a vast area was planted with economic forests. This year's afforestation targets have been overfulfilled by 38 percent. The output values of industry and rural enterprises in the area have increased by 51 percent and 42 percent respectively as compared with the same period last year.

GANSU RADIO DEPRECATES AGRICULTURAL INVESTMENT WASTES

HK110217 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 10 Jun 86

["Chat for Everybody" article by (Shang Zonren): "Investment in Agriculture Must Be Translated Into Tangible Results"]

[Excerpts] Agriculture is the foundation of the national economy. There is no doubt that increased state investment in agriculture in recent years is correct. However, certain grass-roots units only pay attention to investment and neglect the results, resulting in a great waste of capital. Not long ago I returned to my home village, where I saw that three mechanically-operated wells built by the village had all collapsed due to poor management. I heard that each well needed an investment of 20,000 yuan. Also, the government sold saplings for 0.5 to 0.6 yuan each to some peasants to develop fruit production. However, the survival rate of the saplings was low due to failure to sign responsibility contracts for tending them. These are by no means isolated cases of only being concerned with getting financial assistance from elsewhere and neglecting the results.

The reasons for this are, first, certain departments and leading comrades have not embraced the idea of serving the people wholeheartedly. Second, when transmitting investment tasks to lower levels, certain departments only mention investment criteria and neglect results criteria. As a result there is no pressure on the personnel involved, and they do not do their work properly. Some only dispatch investment to the lower levels without sending technology. As a result, when a project is launched, the peasants do not know how to manage things, and it is almost inevitable that the project fails.

The state's investment is limited. How can the four modernizations be carried out if there is only investment and no results? Certain grass-roots leading comrades cry out for money when they attend meetings or make reports on work at the upper levels. However, when the money is in their hands, they spend it in an extravagant and careless way without stressing practical results. This style of work must be changed.

SHAANXI: XIAN CITY VIEWS SUPPORTING REFORM, REFORMERS

HK100229 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 9 Jun 86

[Text] The Xian City Economic Structural Reform Office has put forward the following five views on supporting reform and protecting reformers:

1. If reform is controversial and correct conclusions cannot be drawn for the time being, we should allow continued experiments along the lines of the original reform plan so long as it helps to develop production. The upper-level departments and leaders in charge should conduct more investigation and study and avoid making arbitrary changes to the reform plan. They should criticize and censure it still less.

2. When mistakes occur in reforms which are being carried out when the upper levels have not defined the policy stipulations, we should focus on analyzing the reasons, learning from lessons, distinguishing between right and wrong, and correcting incorrect methods. In general, we should not hold those who make such mistakes accountable.

3. Regarding certain erroneous methods adopted in reform for the sake of invigorating the enterprises and enlivening the economy, we should criticize and educate those that are not major mistakes of principle. We should, in general, not inflict organizational punishment on the person responsible so long as he realizes his mistakes and is willing to make things right. We should also adopt a cautious approach in inflicting organizational punishment where this is necessitated by major mistakes. We must strictly distinguish between mistakes in policymaking and abuse of power.

4. In general we should not let the enterprise leaders shoulder the responsibility for mistakes in work in enterprise reform caused by lack of coordinated or synchronized reforms outside the enterprises.

5. We must hold accountable and resolutely investigate and punish those who, without sufficient evidence, spread rumors to harm reformers for their own purposes.

HU YAOBANG ANSWERS QUESTIONS FOLLOWING UK SPEECH

HK120446 Hong Kong WEN WEI PO in Chinese 12 Jun 86 p 2

[Report by WEN WEI PO reporter group in Britain: "Hu Yaobang Says Reforms Have Not Ended; Marked Results Will Be Seen Within 5 Years"]

[Text] London, 11 Jun -- After delivering a speech at the Royal Institute of International Affairs in London today, General Secretary Hu Yaobang answered questions from the audience. Detailed excerpts of the questions and answers are as follows:

A writer asked: What steps will China consider taking to make the Soviet Union withdraw its troops from Afghanistan?

Hu answered: China resolutely demands that the Soviet Union withdraw its troops from Afghanistan, Vietnam, and Cambodia. The unjust wars which have brought disaster to the people must be brought to an end. Otherwise, they will have no future! (applause from the audience)

A person from the Midland Bank asked: Has China now reached an appropriate stage which enables her to decentralize more power to the lower levels or will she concentrate on restoring the control of a centralized power?

Hu answered: We resolutely conducted reform of the economic structure a few years ago. A most important component of the reform is to streamline administration and to decentralize power. This policy decision has attained very satisfactory results. It is approved by most people but there are indeed a small number of cadres who want to seize back the power that has been decentralized (laughter from the audience). They do so because they have not straightened out their thinking and because of force of habit. Just as a person who does not bring cigarettes with him but who wants to have a smoke will habitually put his hand into his pocket with the aim of taking out a cigarette. This does not necessarily mean that these people are fundamentally opposed to our economic reforms and the policy of transferring power to the lower levels. We will never change the policy of streamlining administration and we will further improve this policy. As for a small number of people who have not straightened out their thinking and who have a strong force of habit, we will convert them by continuously applying the method of persuasion and education. Our economic reforms will not stop, let alone go backward. It is just like driving a car. We had been going at 80 miles an hour for the past few years, now we have slowed down to 60 miles an hour. After a couple of years we will again drive the car at 80 miles an hour. I expect that we shall be able to see relatively marked and more definite results in our economic reforms in another 5 years.

A reporter from Britain's OBSERVER asked: Referring to the Xinzang issue, under what conditions will the Dalai Lama be allowed to return and live in Xizang? Or must they live only in Beijing?

Hu said: We have always welcomed the the Dalai Lama's return. We will make proper arrangements for his life and political position in accordance with the wishes of the people. We will peresuade our people and other democratic party members to give the Dalai Lama preferential treatment for his life and work as best we can. As for his return to Xizang, he can return (to Xizang) for a certain period.

There will be no problem with this. As for holding the post of chairman or some other position after his return, since he has left China for 27 years and since a large number of Xizang cadres who are young and experienced have gone into action, will you (referring to Dalai Lama) not mess things up by giving wrong orders because you are not familiar with the conditions there? (laughter from audience) I can assure you that most cadres and people in Xizang will not agree to it if he returns to become the ruler of the Xizang people. They will only agree if he should make some contributions to China's reunification, national unity, and religious affairs. Let me repeat: We welcome him to return and we are responsible for making good arrangements for his life and work.

Question: Professor Fei Xiaotong paid a visit to Australia 4 and 5 years ago. Professor Fei said in Australia at that time that China had made some mistakes in its policies toward Xizang and Nei Monggol. Have these mistakes been rectified now? There is another question. China's population has been constantly growing. It will take 10-15 years for the policy of one child per family to take effect. Under these circumstances, will China's agricultural production be able to meet the needs of the growing Chinese population?

Hu Yaobang smilingly said: Since this debt was contracted by Mr Fei, will it be better for him to repay it? (laughter from the audience)

Fei Xiaotong answer: I shall be very glad to answer this question. When giving lectures in Australia about 5 years ago, I once said that our agricultural policy had indeed left something to be desired. In 1978 we applied a new policy, that is, the land was distributed among the peasants for their cultivation. Since then, our productive forces have grown very quickly. I conducted investigation in the rural areas and I saw that the living standards of the people in the rural areas improved very quickly. Not only agricultural but also industrial production in villages has increased. In Jiangsu, my native place, the income of the peasants has increased by 100 percent in 5 years. This proves that the current agricultural policy is correct. As for the population issue, we must practice birth control. Since liberation, China's population has doubled, from 500 million to 1 billion. We started the policy of birth control in 1974. In the 1980's we shall still face an upsurge of population growth. For this reason, we must carry out the policy of one child per family. In my view, this is an emergency measure. Like driving a car, when the car moves too fast, we should put on the brakes. I believe that the growth of China's population will probably stabilize in 10 years. By that time, China will have 1.2 billion people. We will continue to increase our agricultural production in order to meet the needs of the population. The growth in China's agriculture has now exceeded that of the population.

A member of the Human Rights Group of the British Parliament asked: Some people in China have published underground publications, which carried articles criticizing the government. As a result, they were arrested. Will the Chinese Government plan to grant a special amnesty to these young intellectuals, such as Wei Jingshen and Liu Qing, and use their intellect in the service of China's modernization?

Hu replied: I can tell our friends that no one has been put into prison since the end of the Great Cultural Revolution because of his different political views. Only those who have violated our country's constitution were imprisoned according to the law. This reminds me of a saying by Mr Montesquieu of France. What is freedom? He said: Freedom means the right to do things that the law allows.

Views Succession, N-Power

HK120702 Hong Kong WEN WEI PO in Chinese 12 Jun 86 p 2

[Special dispatch by WEN WEI PO resident correspondents group in London: "Hu, Zhao To Follow Deng Xiaoping's Example, Cut Down Their Amount of First-Line Work From Next Year"]

[Text] London, 11 Jun (WEN WEI PO) -- AT 1700 (London time), CPC General Secretary Hu Yaobang gave a 35-minute press conference at the hotel where the Chinese delegation was staying. Besides General Secretary Hu, Vice Premier Li Peng, CPPCC Vice Chairman Fei Xiaotong, Vice Foreign Minister Zhou Nan, and over 100 Chinese and foreign reporters attended the conference.

Before answering reporters' questions, Hu Yaobang said at the conference, "My visit to Britian was short, but it has impressed me deeply. I have been warmly welcomed and received by Prime Minister Thatcher and the government, various circles and the people of your country. I warmly find that like China, Britain also cherishes its long history and cultural tradition. Through generations of hard work, the British people have scored tremendous achievements in economic, scientific and technological, and cultural fields. They have many things worth learning from and worth referring to. During my visit, I have held very sincere and friendly talks with Prime Minister Mrs Thatcher. Vice Premier Li Peng, CPPCC Vice Chairman Fei Xiaotong, and I have had wide-ranging contacts with the people of all circles in your country. I feel deeply that the party in power, the opposition, and the people in your country all have the sincere desire to continue to develop your friendly and cooperative relations with China. This has filled me with confidence in the bright future for Sino-British relations. Now, I am ready to answer your questions."

Question by reporter fron Hong Kong's TA KUNG PAO: My question is: China's current view on the issue of world peace is not the same as its views in the 1950's, 1960's, and 1970's. During your visit to Britain, you have time and again talked about this issue. I would like you to tell us how this view has changed and why.

Answer: This is based on our view of the development of the world situation over the past few decades, in which there has been tremendous growth in the force of world peace. What I should mention particularly, is that the countries and people in both Western and Eastern Europe are not willing to see a new world war. With our independent diplomatic policy to pursue peace, China is also playing a certain role in safeguarding peace. Therefore, we should revise the estimate we made many years ago that "wars are unavoidable."

Question: General Secretary, both you and Premier Zhao Ziyang have mentioned that in making major policy decisions in China, Deng Xiaoping continues to play the key role. Do you then think that another number one decisionmaker will emerge when it is impossible for Deng Xiaoping to make policy decisions? Or will questions then be made by a group of people collectively?

Answer: All our friends know that beginning in 1978, whenever there was a major issue in our country, Chairman Deng Xiaoping put forward a proposal and then it was agreed on and decided by us. Since about the year before last, our Comrade Deng Xiaoping proposed to the CPC Central Committee that from then on he wanted to put forward less proposals and that Hu Yaobang (laughter) and Zhao Ziyang (laughter) had to put forward their proposals on our country's major issues for our discussion.

Therefore, over the past 2-3 years, in accordance with Comrade Deng Xiaoping's desire, Cormade Zhao Ziyang and I have put forward relatively more proposals on major state issues. Of course, we have also played a relatively greater role in making policy decisions. Of course, this included the consent of Comrade Deng Xiaoping and other comrades. However, I am not young either and am 70 years old now. Comrade Zhao Ziyang is 4 years younger than I and is now 66. Therefore, I hold the same opinion as Zhao Ziyang. Honsetly, beginning next year, we should both put forward less proposals and thus let younger people put forward more proposals. A few years later, we will gradually be retired. Therefore, from this we can see that there is no succession problems and there will certainly be continuity in China's policies.

Question by reporter from Radio Television Hong Kong: Since the accident at the Soviet Chernobyl nuclear power station, Hong Kong people have been increasingly more worried about the nuclear power station to be built at Daya Bay, Guangdong, only 50 km from Hong Kong. Last weekend, Hong Kong people held a demonstration demanding that the plan for the construction of the nuclear power station be abandoned. Will China take into consideration delaying the construction. Or, will it move the site of the station a little further away from Hong Kong?

Answer: Concerning this, our Vice Premier Li is a specialist. He will answer this question for me and give me a chance to smoke.

Answer by Li: This is my profession. Since the accident at the Soviet Chernobyl nuclear power station, China and other countries in the world are very concerned about it. What we now plan to adopt is entirely different from the technology adopted by the Soviet Union at the Chernobyl power station. Safety is guaranteed and has undergone the test of prolonged operation. This technology is generally adopted in Europe. For example, 70 percent of the nuclear power stations in France use this technology and all these stations have operated very satisfactorily. But this does not mean that we do not pay attention to this issue. On the contrary, both in designing, building, and operating the power station, we will adopt a series of very vigorous measures to ensure its safety. Precisely as reported in today's newspapers, when we were holding talks with Mrs. Thatcher, we also discussed this issue. Therefore, we have not yet seen any necessity for abandoning the construction or moving the site of the nuclear power station as you have mentioned. However, we are willing to conduct wide-ranging internal cooperation concerning the issue of the supervision of nuclear safety.

Question by reporter from the British Broadcasting Corporation: Queen Elizabeth plans to visit China next October. Will you then invite the British prime minister again?

Answer: We are very pleased that, at China's invitation, her majesty will visit China next October. I want to tell you once more that her majesty will be accorded a warm and grand reception by the Chinese Government and people. As for the prime minister, at the banquet the other day, I said that I welcomed her visit to China at anytime that she thought convenient, because her previous visits were all too short and hurried. I hope she will come to see more of China, and in particular, the Chinese people's feeling of friendship for the British people.

Questions by reporter from Britain's FINANCIAL TIMES: 1) You have just said that from next year, you will reduce some of your responsibility. Does this mean that you will resign your office at the CPC Congress next year? 2) There seems to be some stagnation in China's economic development this year. How is the Chinese Government going to solve this problem?

Answer: Next year, we will hold the 13th CPC National Congress. The 6th Plenary Session of the 12th CPC Central Committee scheduled for next September will make a decision concerning the holding of the CPC Congress next year. As for me, I think that beginning next year, all my principal responsibilities should be reduced. As to whether the CPC Congress next year will reelect me, it is hard for me to say. If they do not elect me, that will not be a matter of resignation, but a matter of being removed from my office without resignation. (laughter) Li interrupted: I will continue to vote in your favor. (laughter) Yu: You have only one vote! As for the second questions, has there been a halt to China's economic development this year? There has not been any halt. Our growth rate was too high last year and was in our view excessive. If we do our work satisfactorily, this year's growth rate will be 8-9 percent, 1-2 percent greater than our planned target. We have not stopped our economic reform either. Today, at the Royal Institute of International Affairs, I said that the pace of our economic reform will not be as fast as last year and the year before last. If we compare our reform to driving a car and say that the speed last year was 80 miles per hour, then that for this year will be 60 miles an hour. China will not give up its reform half way because our reform is aimed at enabling us to maintain quick, steady and harmonized development of China's economy for several decades to come.

Question: With regard to financial principles, Mr Chen Yun pursues relatively moderate policies. Would you tell me what role he is now playing in China's policy decisionmaking? Another question is: China plans to raise funds in Japan's capital market. Will this affect China's current cooperation with the World Bank?

Answer: Comrade Chen Yun is a well-experienced and long-tested leader of our party who has very good ideas, and he is now one of the five members of the Standing Committee of the CPC Central Committee. All of us, including Comrade Deng Xiaoping respect his opinions very much. As for the guess by some people abroad, such as what was said about reform faction...conservative faction...There are no such things. As for the funds that our economic circles plan to raise in Japan, they will be small in amount and will not have much effect, or be in conflict with, our cooperation with the World Bank.

WEN JIABAO REPLACES WANG ZHAOGUO IN CPC GENERAL OFFICE

HK120122 Hong Kong TA KUNG PAO in Chinese 5 Jun 86 p 1

["Special Dispatch": "Wen Jiabao Replaces Wang Zhaoguo as Director of CPC Central Committee General Office"]

[Text] Beijing, 4 Jun -- There has been a change at the top of the General Office of the CPC Central Committee. Wang Zhaoguo will no longer hold this post concurrent with his other posts, and will be replaced by 44 year-old Wen Jiabao [3306 1367 1405].

After completing his postgraduate studies at the Geology College in 1968, Wen Jiabao worked in the geology department in Gansu Province. He was transferred to Beijing in 1982 to be director of the Reform Research Office of the Ministry of Geology and Minerals. In October 1983 he was appointed vice minister of this ministry. In October 1985 he was transferred to the post of deputy director of the General Office of the CPC Central Committee.

CHENG MING ANALYZES CPC CONFLICT IN LITERATURE, ART

HK101251 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 pp 6-10

["Notes on a Northern Journey" by Lo Ping: "Is HONGQI Criticizing Deng or Liu"]

[Text] The Names of Big Officials Withheld Where Prohibited Films Are Concerned

Several writers and theorists were debating a problem: What is, after all, the situation in literature and art and academic circles at present? Someone said that is is "very favorable." Another said that is is "favorable in a limited way". Still another said that it is "favorable in a middling way." The consensus was that it is "favorable." What are the areas reflecting things being favorable?

"Officials Going Underground and Execution by Shooting Giving Way to Murder"

This line, qualifying as an illustrative quote, is what Beijing literature and art circles use to review the features marking the current situation in literary and artistic creation. What is said "is traceable to life and to reality." For example, the "W.M." was banned in Beijing. But no one could figure out who the important person responsible was for the ban. Several telephone calls to the Youth Art Theater elicited the same reply that it was the Central Propaganda Department. The person who answered the telephone did not dare to reveal his name. "Let a document be issued about the ban." But no promise was given about the release of a document about the prohibition. This meant that no one dared to hold himself responsible. The official executioner had gone underground in a switchover from the previous practice of open criticism and rectification to secret attack and assassination. Those who answered the phone were big guys and the like in the theatrical field. Not one of them dared to refuse putting things into practice.

What does the matter of officials going underground show? This may be explained by four Chinese characters which mean: It is dangerous to incur public wrath.

Can you say that the situation is not favorable?

Hu Qiaomu Burst Into Tears After Viewing the "Evil Spirits"

Of course, assassination can be more terrible than execution. But assassination does not necessarily lead to a person's death.

The Youth Art Theater rehearsed a play in Shanghai. It reflected the younger generation's mentality, concepts, and envisioned goals for the future. The play, entitled "Evil Spirits," left Shanghai spectators spellbound. Hu Qiaomu went to see the play. After returning home, he began to cry. The young spectators had responded with unusual passion to the show. He cried, because it "pained" him to see how the young people had now degenerated. During those few days he kept calling Qing Yi. He made eight or nine telephone calls. He started out by criticizing the play, but toned down his criticism from one call to the next. He ended up by saying that there was no problem with the matter of presentation. Qing Yi hurried to find a theater for the presentation of the play lest there might be a change.

From this, it can be seen that the situation is not too favorable.

Film Circles Dare To Resist

Recently, everyone in Beijing film circles talked about the "miscarriage" matters concerning the "twin awards" (Golden Rooster Award and Hundred Flowers Award) for this year's films. It was said that the "miscarriage" or "the slowness in coming" of the "Golden Rooster Award" was because some people in the Secretariat of the CPC Central Committee had given it "a kick." They do not like "Wild Mountains" and "Black Cannon," films that experts in film circles had in mind as award winners. Instead, they favored something else. Both sides held out. The Golden Rooster Award could only be set aside.

This points to two problems. One is that high-ranking officials still want to intervene. The other is that literature and art circles dare to resist. Has there been a change in the situation? (A separate article by a contributing editor of this magazine deals with the Golden Rooster Award case -- editor's note)

The film originally given the prize for the best male actor in this year's Golden Rooster Award is "Black Cannon." There has recently been quite a lot of debate in theoretical circles, because the film is a bit similar in nature to the "Ma Ding incident" and the "Liu Zaifu incident." Engineer Zhao Shuxin in the "Black Cannon," "Ma Ding" (the pen name of Song Longxiang, a professor of the Philosophy Department of Nanjing University) in the ""Ma Ding incident," and Liu Zeifu (a theorist in literature and art circles and president of the Institute of Literature under the Academy of Social Sciences) in the "Liu Zaifu incident" are figures of the same type. All they know is how to dedicate themselves to their own profession or career. They are just too nice. The last thing on their minds is that some people are talking about them behind their backs. The three matters, linked up, are what some people in Beijing call the "three major incidents." The "three major incidents" also surfaced at the same time. Is this sheer historical coincidence or historical necessity?

"Black Cannon" in Unexpected Trouble

The engineer in "Black Cannon" is "a fictitious character" in the novel "Romantic Black Cannon," originally written by Zhang Xianliang. Some people say that two persons, one imaginary and one in real life, should not be linked. A friend in Beijing film circles told me that "Black Cannon" is actually not an invention. The engineer mentioned therein is also a person, alive and kicking. Real life does not resemble what DAZHONG DIANYING [Films Of The Masses] said of the film: "The scene is near fantasy."

It turns out that Zhang Xianling's novel was based on a true story. In the autumn of 1984, Wang Zhougui, vice chairman of the Ningxia Autonomous Regional Writers' Association, told this story to Zhang Xianliang: An engineer of a research institute in Yinchuan City went to Xian City on business and stayed in Room No 304 of a certain building. He was a chess enthusiast and often played chess with a roommate. Only after he finished business and returned to Yinchuan did he find that a "black cannon" had been lost. He immediately sent a cable to his fellow chess player of the said building: "The black cannon has been lost. I hope that you can find it for me." It turned out that this "suspicious" cable did not reach his friend. Instead, it was handed over to the public security bureau by an "extremely alert" service worker. The last thing that this engineer had in mind was that because of this, the unit to which he belonged would start investigating him, inside and out, for as long as half a year.

"Honeymoon Plot"

"Ma Ding", or Song Longxiang, is the youngest of the protagonists in the "three major incidents." He only became 30 this year. During winter vacation, he married Little Zhou, a postgraduate of the Internal Medicine Department of the Nanjing Railroad Medical College, and returned to his hometown, Yancheng, for his honeymoon. The last thing he imagined was that someone had, behind his back, worked out "a honeymoon plot" -- the "Ma Ding incident."

When the incident first created a big stir in Beijing, Ma Ding was left in the dark. Some people said jokingly that Song Longxiang had dropped a "hand grenade" in Nanjing which "exploded" in Beijing. On 4 March, when JINGJI CANKAO reported an an editorial by ZHONG BAO in the U.S. (and added headlines and wording of a critical nature), Song Longxiang still did not know that he was among "certain economists of our country" being criticized for their "swallowing foreign learning without digesting it." He had originally studied philosophy and did not start out as a student of economics. Someone said jokingly that Song Longxiang was really "one sitting on excrement (death) without smelling it." [The two characters, shi 1452 and si 2984, sound alike in Chinese]

The "Ma Ding incident" and "Black Cannon" both represent acts on a small scale that involve a sneak attack and bloodless killing. These acts suffice to keep people busy coping with them and even put them to death. In the past year or two, these incidents have been frequent occurrences. For example, what is strange about Beijing's investigation of Liu Binyan, Anhui's investigation of Wen Yuankai, Shenzhen's investigation of Xu Jiangya, and so forth is that these "back-to-back" "investigations" took place given such backgrounds as "the golden age of freedom in writing," "reform getting off to a good start," and "an atmosphere of academic freedom." So some people call these "honeymoon plots." Some people among Chinese Communist reformists energetically try to honeymoon with intellectuals, but conservatives look for and activate their "black cannon" (a chess piece with which to attack reformists).

Therefore, the current situation is favorable, but it is still not "very favorable." Perhaps it is still a long way away from being "very favorable."

The storm raised by Hu Qiaomu and others about Ma Ding has been quelled by the supreme Chinese Communist authorities. Conservatives have fought and lost a battle. But they will "carry out an endless revolution" and will not call it quits. On its front page, QUANGMING RIBAO carried the first article criticizing Liu Zaifu. Then, HONGQI published a lengthy article criticizing Liu. Thus, there again appeared the "Liu Zaifu incident."

The "Liu Zaifu Incident" Carries Typical Significance

Of the "three major incidents," the "Liu Zaifu incident" carries typical significance. Liu Zaifu was the first reform model cited by the Chinese Communist reformists in the ideological field. Conservatives in high places, like Hu Qiaomu, Deng Liqun, and others, had long wanted to get rid of him.

From the end of 1984 to early 1985, the Chinese Communist reformists had the intention of carrying out reforms in the ideological field. The "Fourth Congress" of the Chinese Writers' Association marked the beginning of this reform. It was claimed that Hu Yaobang at that time said: In places where intellectuals are concentrated, such as the Academy of Sciences, we should not have a party committee set up, but only keep a general party branch secretary to take charge of party affairs (quoted approximately). This was a signal to carry our reforms and march forward.

It was a source of inspiration to many people in literature and art circles and theoretical circles. At that time, the central authorities conducted an experiment. In the Institute of Literature under the Academy of Social Sciences, with more than 130 workers, an opinion poll and a direct election were held. The election results showed that young assistant research worker Liu Zaifu received the largest number of votes. He became the first president of an institute under the Academy of Social Sciences elected by direct vote. This move was a source of great inspiration to those in theoretical circles but was not accepted by the conservatives. They said that this was giving up party leadership. Due to the conservatives' vehement opposition and interference, the Institute of Literature's way of doing things was not popularized. Liu Zaifu also again became a thorn in their sides.

Liu Zaifu was emancipated in his thinking and had the courage to think and to create innovatively. He wrote many theoretical articles on literature and art that showed sound judgment. They were not only hailed by the people in literature and art circles but also aroused the attention of Chinese Communist reformists in high places. This also made him an object of jealousy and attention among conservatives. Liu Zaifu was someone who counted. His toppling would deal a heavy blow to reformists. This is the reason why the conservatives kept finding excuses to deal with Liu Zaifu.

Small Steps by Lin Mohan in Defiance of Discipline

Do not think that the conservatives' open criticism of Liu Zaifu in HONGQI by name is a move open and above-board. Their handling of Liu Zaifu also began with small steps of a secret nature.

Liu Zaifu came out with many theoretical articles. But instead of first refuting these articles theoretically, the conservatives pinned down several lines in an internal speech by Liu Zaifu, without criticizing him by name. He who first initiated this small step was what Beijing cultural circles called a "down-and-outer on the cultural scene" -- Lin Mohan. In an article entitled "What Should Be the Standards Set for Writers," on the front page of this year's 21 February issue of GUANGMING RIBAO, Lin Mohan attacked Liu Zaifu by insinuation.

The article began by citing a few lines by Liu Zaifu from an internal speech: "In our country, there exists the practice of imposing standards on writers that should not be imposed, using nonliterary standards in criticizing literature, and asking writers about subjects unrelated to writers. We often feel that it is not enough for a writer to be just a writer. He is being required to be a revolutionary, a propagandist, a statesman, a dialectical materialist, and even a good father or mother. But a writer cannot be allowed to be a humanitarian." Concerning this internal speech by Liu Zaifu, documents printed for internal reference are specially inscribed with the words: "Not to be quoted." But Lin Mohan acted in defiance of discipline and arbitrarily quoted the speech for criticism in GUANGMING RIBAO. Liu Zaifu was speaking from the depths of his mind. Lin Mohan's seizing on what Liu said as an excuse to assert himself will not be discussed here.

Liu Zaifu's Innate Knowledge and Courage

Liu Zaifu is a writer of understanding. He cherishes a high sense of responsibility toward the people and the country's future.

Given difficulties in reform, he attended a CPPCC meeting at the end of March and felt that it was time for him to speak out. At the CPPCC meeting on 4 April, he boldly put forth a 7-point suggestion: "Several Ideas Concerning a Strategic Shift in Emphasis in Cultural Work." At this time, it has been said that he would be made an object of criticism in a HONGQI aritlce, but he felt duty-bound to speak his mind.

Liu Zaifu thinks that cultural work and theoretical work should be linked with economic reform and that after a shift in emphasis in national work to modernization, the focus of ideological and cultural work should not be "class struggle." He raised seven points in his suggestion. At a group discussion, he specially stressed the third point in the suggestion: "We should strive to create a cultural atmosphere and an environment of cultural mentality compatible with modernization. Not given such an atmosphere and such an environment, we would wrongly assess the situation and exaggerate the problems in reform. This would bring more mental pressure to bear on reformists than was justified by actual difficulties, and would likely deprive reformists of the courage to face up to scientifically analyzing existing problems. To create an environment of cultural mentality and a cultural atmosphere compatible with reform, we should not magnify individual phenomena as problems possessing the nature of a trend. Nor should we magnify local problems as ones bearing on the whole situation. Still less should we criticize innovative theories under study and likely to prove correct as something wrong. To do so would lead to the artificial creation of social mental tension and the loss of necessary cultural conditions for reform."

The Rather Threatening Tone of the Lengthy HONGQI Article

Liu Zaifu's suggestion won the praise of Hu Qili and others but suffered from a sniper's attack. The No 8 issue of HONGQI later carried a 15,000-character-long article by Chen Yong, a responsible person of the Policy Research Institute under the Secretariat of the CPC Central Committee, entitled "The Problem of Methodology in Literature and Art." It exposed and criticized the articles previously published by Liu Zaifu, mentioning his name. It was pointed out that this "has a bearing on the destiny of Marxist China and on the fate of socialist literature and art in China." Was this not frightening?

Liu Zaifu was once a member of the Standing Committee of the All-China Youth Federation. After the downfall of the gang of four, he was one of the cadres sent by the Deng-Hu group to take over HONGQI. The last thing expected was that HONGQI today would make him an object of attack.

After the publication of Chen Yong's article, the editorial department of HONGQI immediately held a "forum." The participants were mostly those of the same sort as Chen Yong and others. Some people said: The good article that we have long awaited has at last come. It was really a "victory celebration meeting."

Chen Yong Criticizes the "Theory That Only Productivity Counts"

In his article, Chen Yong said much about literature and art. The main point he wanted to get across, as a study shows, is that literature and art should serve politics. These words, detested by literature and art circles, were not clearly spelled out and this shows that he had ulterior motives. A serious problem is a sudden switchover in applying his pen to the criticism of the "theory that only productivity counts." He said:

"Now we can still see the prevalence of the idea that the development of capitalist productivity, including the development of social sciences and technical sciences, can decide everything."

"That vulgar idea that treats economic cooperation as the only deciding factor in social life, ... is incompatible with the concept of historical materialism. Then, what we now encounter is even the problem of treating productivity as the only deciding factor in social life (including of course also literature and art). Obviously, this viewpoint is even worse than what was criticized by Engels in his later years."

Chen Yong opposed treating productivity (including science and technology) as a deciding factor in social life, but without suggesting any other "deciding factor." Did he want to suggest "class struggle"? Or did he find it difficult to get around to broaching the subject? He just talked about the climate and soil fertility. C[illegible]d these also be "deciding factors"?

A Review of History: HONGQI's Previous Criticism of Deng

The criticism of the "theory that only productivity counts" is not something new. During the "Cultural Revolution," ultra-leftists and the gang of four first criticized Liu Shaoqi's theory regarding "class struggle being a thing of the past" and "the main task of our poeple and party now being the quickest possible development of productivity," claiming that this was the "theory that only productivity counts," "running counter to the proletarian revolution."

Later, in 1975, with Deng Xiaoping's comeback, this "revolutionary mass criticism" greatly escalated. The gang of four mobilized all propaganda tools in their hands, including newspapers, magazines, broadcasting stations, books, and the stage, in criticizing Deng Xiaoping's theory and practice in promoting production and construction, claiming that the line represented by Deng Xiaoping was "reactionary" and "revisionist." The writers hired by the gang of four, such as Cheng Yue and Chi Heng of HONGQI and Liang Xiao and others of Beijing University and Qinghua University, though not unanimous in their arguments, shared mainly the same view. It was that class struggle decided the development of productivity and history and was entirely compatible with the line of "making revolution and stimulating production" put forward by Mao Zedong. To oppose production as being the only final deciding factor, the scholars representing the gang of four made much of the word "only," negating productivity as the only final deciding factor. After the "Cultural Revolution," the gang of four's criticism of the "theory that only productivity counts" was subject to severe criticism.

Reality in the past few years has shown that the readjustment of the relations of production and the development of productivity have stimulated progress in various aspects of social life. Of course, the reaction of ideology and the superstructure on the economic base is quite inadequate, or, in Beijing's parlance, "not properly linked up as part of the whole." But given the major changes that have taken place in the economic base, a breakthrough in cultural, art, and academic development can appear sooner or later. Now it seems that a start has been made in heading for a breakthrough. This has made conservatives feel uneasy.

Chen Yong Borrows the Gang of Four's Tune in Criticizing Deng

If a comparison is made between Chen Yong's article in the No 8 issue of HONGQI in 1986 and the articles criticizing the "theory that only productivity counts" carried in HONGQI between 1975 and 1976, people will be in for a shock, as they cannot help suspecting that literature and art commentator Chen Yong of quite some fame, a big general under Deng Liqun, a great master of theory, in his piece copied some chapters from HONGQI articles of 10 years ago.

The viewpoint of Chen Yong, who opposes productivity as the deciding factor or the only deciding factor in social life, was obviously the stuff of Cheng Yue, Chi Heng, and the like. Similar tactics were used in even citing the arguments of Marx and Engels. For example, Chen Yong referred to Engels and said such things as that Engels had never considered that "the economy is the only deciding factor in social life." He also said that this viewpoint was "sternly criticized by Engels in his later years." Chen Yong did not quote the text of Engels' work. Why? This is because this line in Engels' letter "To Joseph Bloch" ("Selected Works of Marx and Engels," Vol 4, p 477) repeatedly quoted out of context by the gang of four, refers to "class struggle."

Criticizing Deng Xiaoping's general line and specific policies on economic development, reform, and openness through the criticixm of Liu Zaifu is the plot of the HONGQI article. This situation shows that the struggle between "conservatives" and "reformists" is unusually acute.

Reformists Not Satisfied With the HONGQI Party Newspaper Supporting Liu Zaifu

According to authoritative sources in Beijing, central reformists in high places long ago had complaints about the Policy Research Institute and other central departments which Deng Liqun and Chen Yong took charge of. It was held that they had failed to report conditions factually. Therefore, at one stage, the central authorities could not help sidestepping these departments and went directly to the first line to collect information. Liu Zaifu was one of the persons whose opinions were listened to. He reported much about the actual conditions of the people. This made Hu Qiaomu, Deng Liqun, and others feel extremely dissatisfied.

The HONGQI article aroused strong reaction from the CPC Central Committee. Zhu Houze, director of the Central Propaganda Department, was very angry over the action of HONGQI in carrying an article criticizing Liu Zaifu. Recently, a national conference of heads of propaganda departments of various provinces and cities was held. Copies of Liu Zaifu's "suggestion" at the CPPCC meeting were specially printed. It was demanded that they be studied to get rid of the evil influence of HONGQI.

In a commentator's article entitled "Support Exploration and Encourage Creation," the 12 May issue of RENMIN RIBAO criticized Chen Yong's article in HONGQI without mentioning his name. The same day, Xu Jingchun, editor of GONGREN RIBAO, who first edited and distributed the article about Ma Ding, came forward and appealed in the Shanghai press: "Prudence must be exercised in criticizing bourgeois liberalization theoretically. What is needed more at present is bold exploration. What we need more is protection of vigor and courage displayed in exploration. ...Without allowing any mistakes, how can we explore things? If theoretical workers worry all the time about the label of 'liberalization' being imposed on them, how can they go about the business of research? Not allowing any mistakes in exploration doubtless means the prevention of the discovery of truth."

On 19 May, RENMIN RIBAO again carried a commentator's article entitled "Create a Favorable Environment an Atmosphere -- More on Exploration and Creation in Literature and Art." The article criticized certain people for their "being in the habit of applying stereotyped patterns in judging things and lacking a sensitive and tolerant attitude toward certain new explorations and new attempts in literature and art." The viewpoint of the article was usually close to that of Liu Zaifu. This was perhaps also a response to the HONGQI article.

HONGQI Must Rebuild Its Self-Destroyed Image

GUANGMING RIBAO originally wanted to carry the full text of the lengthy HONGQI article. It also dropped hints that Liu Zaifu could write something in reply. But so far nothing has been done. It was said that the HONGQI magazine had recently been in an unusually embarrassed position and was trying to rebuild its self-tarnished image. This magazine was even prepared to tone things down and treat the Liu Zaifu incident as purely a matter of debate about literature and art theory.

The 1 May issue of HONGQI had actually shown a subdued tone. In an article in this issue (No 9), Hu Sheng, Liu Zaifu's superior and president of the Academy of Social Sciences of China, suggested that there should be no taboos in academic research, with tolerance for error. Allowing no error meant "dealing a fatal blow with the stroke of a club." In addition, it admitted that some scholars had not consciously applied Marxism to academic research, but their research was beneficial to the people. These words were aptly directed. Obviously, this article was helpful to HONGQI RIBAO, this "theoretical attack" by conservatives has obviously been repulsed.

Ba Jin Praises Liu Zaifu

Liu Zaifu, subjected to attack by HONGQI, did not feel the least disheartened. On 10 May, the Shanghai conference on strategic research in cultural development opened. Scholars of Beijing and Shanghai gathered together for exchanges. Liu Zaifu also attended the conference and gave a speech. He put forward the view that "there is also the problem of a shift in the focus of cultural work." It was said that the response was quite good. On his visit to Shanghai this time, he received a welcome and support from Shanghai cultural circles. Ba Jin also praised him as a good man. Some well-known writers were also prepared to write something in support of him. Liu Zaifu's fate is much better than Wang Ruoshui's. This shows that the situation has changed. The time when Hu Qiaomu, Deng Liqun, and the like can freely bring the pressure to bear on people is probably not far from its end.

Of course, people must still be on the alert. There is absolutely no smooth and flat path leading from the absence of freedom to freedom.

UPHOLDING 'DOUBLE HUNDRED' PRINCIPLE IN LITERATURE STRESSED

HK111000 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1017 GMT 10 Jun 86

[Article by Shi Fu: "Strengthen the Legal System in Order To Protect the 'Double Hundred' Principle" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 10 Jun (ZHONGGUO TONGXUN SHE) -- Recently, Beijing's literary and art circles, as well as academic circles, wrote many articles and frequently held forums on celebrating the 30th anniversary of CPC's principle of "letting a hundred flowers blossom and a hundred schools of thought contend."

The official weekly, LIAOWANG, in its latest issue also published a speech of Hu Qili, delivered at a meeting with Shanghai intellectuals, on reaffirming the practice of upholding the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." Hu Qili stressed: In our current theoretical work, we should particularly advocate bold and innovative acts. We should allow the freedom of creation in literary and art circles. We must make joint efforts to create an environment and atmosphere marked by democracy, harmony, mutual trust and mutual understanding.

The above-mentioned activities, as well as different signs by Mainland China's literary and art circles and academic circles, have indicated that the CPC again holds high the banner of the "double hundred" principle.

The "double hundred" principle was first proposed by Mao Zedong in the spring of 1956. Lu Dingyi, the then CPC Propaganda Department head, spoke on this principle in a speech entitled "Let a Hundred Flowers Blossom and a Hundred Schools of Thought Contend." This principle once brought vitality to the literary and art circles, as well as the academic circles, at that time. But this situation did not last long. Following the "anti-rightist" struggle in 1957, a wave of "taking class struggle as the key link" resulted in a temporary clamor and it totally drowned the "double hundred" principle. From the "anti-rightist" campaign to the "Cultural Revolution," the literary and art circles, as well as the academic circles, of mainland China suffered such a bitter experience that one cannot bear to look back even now.

Seven years ago, the 3d Plenary Session of the 11th CPC Central Committee began taking the pragmatic line which centers on economic development. Only then were mainland China's literary and art circles, as well as the academic circles, unfrozen. However, the literary and art circles, as well as academic circles, were affected by several "wintry springs." The most prominent one was the "elimination of spiritual pollution" in 1983 and most recently, the "Ma Ding incident." They have made people of the literary and art circles, as well as academic circles, hesitate to press forward and make innovations.

Reportedly, on several occasions, Hu Yaobang sincerely said: When reviewing our history we can learn from experience in the past. As early as the Yenan period, we criticized Wang Shimei, Hu Feng, as well as the "notes from the three-family village" during the "Cultural Revolution." We also carried out movements, attacked some people, turned ideological problems into political ones and punished people with disciplinary measures. This kind of conclusion we reached in that period is, in the final analysis, groundless. No matter what the situation is, we must not use disciplinary measure to solve ideological problems. Instead, we must uphold the principle of letting a hundred flowers blossom and a hundred schools of thought contend. We must encourage people to tell the truth. We must not tend to investigate, keep file records, hold someone accountable, or suppress them whenever he makes a sharp criticism in discussion. We must stop carrying out these kinds of disgusting practices.

Being the general secretary of the CPC Central Committee, Hu Yaobang's speech is of course very influential. But the problem is why the above-mentioned disgusting practices were agaian adopted and how can we guarantee that this will not happen again in the future? It seems that this depends on the formulation of a series of practical laws. We must rely on ruling by law, and only then can there be a blooming and splendid spring in Mainland China's literary and art circles, as well as academic circles.